

News Summary

Another Belfast soldier dead

Another British soldier died in Belfast last night of wounds inflicted by a sniper's bullet on Tuesday.

Private Paul Carter, 21, of the 1st Battalion, Queen's Regiment, was hit in the stomach by automatic fire from a passing car in the city's Crumlin Road area.

He was the 35th soldier to die during the present campaign.

His death came a few hours after the Defence Ministry firmly rejecting Protestant calls for a Stormont-controlled "third force" of armed men, announced plans to expand Army-controlled "Defence Regiment" by adding new part-time units.

Defence Ministry statement said it hoped for a "substantial number" of volunteers from Northern Ireland's population.

Mr. Faulkner, Northern Ireland's Minister of Home Affairs, welcomed the news, saying: "We cannot have a third force. It would be a disaster."

Currently, the UDR's strength is about 4,200. Its official ceiling is 6,000 men, but it will be allowed to rise above this, its role is to support the regular forces, including securing the order and protecting the State against armed attack and subversion. **Back Page**

Attack on sunny: man in court to-day

A man is to appear in court today leading this morning charged with the rape and attempted murder of a woman, 21, at a house in the city.

He was named as William Smith, 21, of no address.

Smith was reported to have been in the house at the time of the attack.

He is charged with the rape and attempted murder of a woman, 21, at a house in the city.

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Two motor strikes end

A 24-hour stoppage of the 300 Lucas maintenance engineers' decided to resume to-day on favourable holiday pay terms and the 13,000 Lucas workers laid off are being recalled.

At Triumph, Coventry, 400 engine assemblers accepted an offer of interim bonus payments while talks on piecework claims go on.

But in the case of Lucas supplies, may be next week's Midlands engineering holiday.

**Page 19**

Engineering union leaders have given three months' notice to disclaim the industry's disputes procedure. This followed lack of agreement with the employers, after 21 years of negotiations, on new methods to replace the present procedure.

Explaining GEC employment policies, chairman Lord Nelson at yesterday's meeting told critics the position could be greatly exaggerated. Nearly half the 10,800-11,000 cut in a labour force of 200,000 was accounted for by natural wastage. New methods were being tried for closest possible relations between management and employees.

Leyland sells its Fodens

BRITISH LEYLAND has sold its holdings in Fodens (25.8 per cent.) and Seddon Diesel (4.7 per cent.) and 19.8 per cent. of convertible loan stock for £2.5m.

The Fodens shares have been placed with institutions.

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Companies

PLESLEY final dividend of 5 pence per share makes 10 for the year. Pre-tax profit is £22.9m. (24.9m.). A current-year second-half improvement is expected.

**Page 23, Lex**

Rio Tinto-Zinc Corporation first-half pre-tax profit has fallen to 136m. (£45.6m.) due to lower prices for metals; second-half total is likely to match the first half. **Interim, 2p. (same).**

**Page 20, Lex**

Cheaper N. Atlantic air fares next year

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

PASSENGERS FLYING the North Atlantic will pay cheaper fares from February 1. This will be the outcome of the "open rate" situation—in which airlines will be free to charge what they choose—that will prevail on the route from that date.

It follows the decision of Lufthansa, the West German airline, not to go along with all the other airlines in a "fares package" hammered out at the Montreal meeting of those airlines this summer.

While fares will undoubtedly be cheaper, most airline observers yesterday thought that a dramatic, all-out "price war" on the route was unlikely. "You can be sure airlines aren't prepared to commit financial suicide by engaging in a price war," said Mr. Knut Hammarskjöld, director-general of the International Air Transport Association.

German veto

The "open rate" situation, which the IATA prefers to call a "period of experimentation," stems from the fact that, because all IATA fares policies require unanimity, Lufthansa's veto prevents the others from officially implementing the Montreal plan.

In effect, this is probably precisely what most of them will do unofficially, since it will be too difficult and expensive for them to do otherwise.

It seems likely that from February 1 many passengers on the route will be able to take advantage of the so-called Advanced Purchase Excursion

Furthermore, I am confident that, by the next IATA fares conference, the research programme will have enabled a simplified fares structure, acceptable to all carriers, to be evolved.

In Mr. Hammarskjöld's view, the airlines would keep each other informed as to the fares they were filing with their respective governments, so that widely differing fares on transatlantic routes would be unlikely, although some undercutting of the Montreal proposals would undoubtedly occur.

The basic fare in the overall Montreal package the £33-£104 Advanced Purchase Excursion cheaper rate, compares with the present £63-£104 at peak times.

Decision

Airlines will probably now file variations on this fare. BOAC itself, which originally wanted something slightly cheaper, at £75 return off-peak, and which also had plans for an even cheaper rate of £65 return fare, is expected to file, initially at least, the Montreal plan.

Christopher Lorenz writes from Frankfurt:

Lufthansa's decision was announced at a Press conference here by Herr Han Suessenguth, a member of the Board. He said the new Lufthansa fares, "the cheapest ever offered by a scheduled carrier," had been filed to the American Civil Aeronautics Board and that the

Faulkner signs internment orders for 219

BY JOHN GRAHAM

BELFAST, Sept. 15.

MR. BRIAN FAULKNER, the Prime Minister of Northern Ireland, today formally interned 219 men previously arrested under the Special Powers Act. The internees face imprisonment without trial for an indefinite period.

Mr. Faulkner said that all of them are implicated in the present campaign by the Irish Republican Army, and added that 80 of them are officers either of the official or provisional wing of the IRA.

The Prime Minister used some of the strongest language yet in describing the murderous situation in Northern Ireland. "We are at present engaged," he said, "in a deadly struggle against an armed conspiracy whose immediate purpose is to destroy the peace, stability and security of this part of the United Kingdom."

Excursions

Lufthansa will combine the two individual excursion fares (£17-28 and £29-45 days) into a 14-45 day fare, costing £270 in the high and £210 in the low season, compared with the present high of £442 and low of £312.

The German airline also plans to introduce a 7-21 day group fare at £150 throughout the year, provided the group includes at least five people. It will completely drop the various family group fares which exist at present.

Its final fare will be for youths, costing £90 in the high and £195 in the low season, compared with the present £228-210.

Committee

Mr. Faulkner has also set up an advisory committee to consider representations from the internees, as ordered in the Special Powers Regulations. There is little hope for serious negotiations towards solving Ulster's problem.

The Social Democrats and the Nationalists, who are already boycotting the discussions instituted by Mr. Faulkner, reiterated their total opposition to these discussions so long as a single person is interned. There is also considerable anxiety here that whatever usefulness the tripartite talks might have had will

Six protest at U.S. plan

BY WILLIAM KEGAN, ECONOMICS CORRESPONDENT

THE \$13,000m. balance of payments turnaround being attempted by the U.S. emerged as a major source of disagreement between the Europeans and the U.S. at the opening of the two-day Group of Ten talks in London on the currency crisis.

The Finance Ministers of the central bank governors of the Ten met for two-and-a-half hours yesterday afternoon (with the French Finance Minister, M. Valéry Giscard d'Estaing, absent until to-day) during which they had little more time than to state their negotiation positions.



Mr. John Connolly

Optimistic note

As participants left the meeting, the most optimistic note sounded by some European Ministers was that the U.S. delegation—led by the Treasury Secretary, Mr. John Connolly—had at least given the impression they were prepared to negotiate, and that—in the words of the Bundesbank president, Dr. Klausener—the U.S. might not be "totally immovable" on gold.

When the day's formal session ended at around half-past five, the chairman of the meeting, the Canadian Finance Minister, Mr. Edgar Benson, said there had been "an atmosphere of co-operation with divergent views but no hostility." Neither Mr. Benson nor his colleagues gave

the impression that they expected any quick solution, and one of the aims of to-day's talks will be to draw up procedures for detailed discussions at deputy level before the next Group of Ten Ministerial meeting in Washington on September 26, the day before the International Monetary Fund conference.

The U.S. and the Six are on common ground in insisting that this is a time for a long-term solution to the international monetary situation rather than a patching-up operation.

Connolly said afterwards that finding a proper solution was more important than speed, and in the opening speech for the Six the Italian Treasury Minister, Signor Ferrari-Aggradi, proposed that in future the parity value of currencies should be expressed in Special Drawing Rights instead of gold.

Jenkins stays firmly pro-market

BY PHILIP RAWSTORNE

MR. ROY JENKINS, Labour's deputy leader, said last night he was as strongly convinced as ever "that it was in the country's interest to join the Common Market."

Though pleading for "mutual tolerance" in the argument with the Labour Party, Mr. Jenkins's speech at Sheffield showed no signs of any wavering among Labour's pro-market MPs.

He clearly intends to carry the fight on to the party conference next month.

For avoiding a repetition of this relative decline over the next 15 years," he said.

Against this background, the argument about "Tory terms" was irrelevant, said Mr. Jenkins. The country wanted the issue settled and to wish a Labour government was in power was not a valid national argument for delay.

Mr. Jenkins said he wanted to get rid of the Conservative Government—a callous mixture of indifference and self-righteousness—as soon as possible.

U.S. dependence

"I don't again want to be seeking influence at the cost of over-extended military commitments," Mr. Jenkins said that neither side in the argument over the Common Market could be sure it was right. "Only time will tell," he said.

It was not difficult to "pick holes" in the Common Market, "but these have to be set against the much bigger deficiency of our own performance outside over the past 15 years. I don't want to deny a conviction that we have held for ten years or more to a coherent alternative strategy

U.K. DAILY STOCK INDICES

FINANCIAL TIMES	Sept. 15	Sept. 14	1 Yr. ago
Govt. Secs.	77.54	77.24	64.92
Consol. Index	77.57	77.21	72.88
Industrial Ord.	625.2	624.5	561.8
Gold Mines	51.6	51.4	50.0
Ord. Div. Yield	3.62	3.59	4.28
Bankers' Yield	5.72	5.87	6.72
P/E Ratio	17.52	17.44	14.85
Dow Jones	13,861	13,849	12,997
For latest share index phone (01-236) 3228			
F.T. ACTUARIES			
Industrial Group	175.9	175.62	136.21
30 Share	30.75	30.32	26.21
Div. yield pct.	3.41	3.40	4.75
P/E Ratio	18.75	18.46	13.95
All Share	128.15	128.13	115.15
Consolidated yield pct.	8.75	8.75	9.50

ON OTHER PAGES

HAMBURG	
To-day's issue contains four pages (25-28) on Hamburg.	
Advertising & Marketing	16 & 17
Appointments	23
Arts and Entertainment	3
Books	10
Classified Appointments	16 & 29
Company News	20-23
Crossword	2
Economic Indicators	10
Export News	6
FT Share Information	34 & 35
Golf: Ben Wright	8
Home Contracts	13
International Company News	22
Labour News	14 & 19
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Mining News	21
Money Market	20
Overseas News	5, 7 & 9
Racing	22
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Stock Exchange Report	31
Theatres and Cinemas	3
The Technical Page	11
To-day's Events	2
TV and Radio	1
Wall St. and Overseas Markets	20

A Credit to Britain



Credit to the £164 million Ready Mixed Concrete group of companies for being the largest manufacturer of ready mixed concrete in the world and the largest supplier of building materials in the United Kingdom.

RMC who employ 10,000 men and women in the U.K. and have nearly 80 trading companies in the group are currently responsible for opening two new punched card operated mixing plants at Hatfield and Edmonton which are the most advanced of their kind in Europe. And there are over 400 other plants in the U.K.

Through their overseas subsidiaries in Austria, France, Germany, Italy, Israel, Trinidad and the Republic of Ireland they earn £58 million for Britain.

Credit to RMC also for making corporate arrangements with its top executives for them to have a Dinners Club international credit card.

Dinners Club, 214 Oxford St., London, W1N 0BS  
In association with National Westminster Bank Group



# Post Office

try to dissuade any 'employers' belonging to a trade union from publicly expressing his opinion. Many trade unionists approve of the 'bigger' movement because they believe that the existence of a few big units will lead to a more state ownership.

The true interests of the British people require that there should be as many independent mastermen as possible responsible for a variety of decisions and willing to accept the penalties of failure as well as the rewards of character and quality. In these conditions only a free enterprise system can ensure economic strength.

S. W. Alexander.  
President Free Trade League,  
177, Vauxhall Bridge Road,  
S.W. 1.

## Scouring the

## Scorching the fields

# fields

Sir.—As I write, smog is blowing about my desk as we as spilling South Cambridge and probably East Anglian water. This is all due to the change taking place in our fields at this time of the year, when stubble and stocks are being burnt off. The atmosphere, thick with smoke, accretes mists at night and in some states causing dangerous to time driving conditions. Apart from all this unpleasantness and contribution to pollution, there is a campaign against which we now have legislation, chemicals inform me considerable damage is done to soil in particular, loss of nitrogen is great, many countries this scorching fields is forbidden, surely there are more profitable ways of growing the harvest's products, which would, exclude the hazards mentioned and possible legal action.

J. S. Rogger,  
61, North End,  
Rye, East. Herts.

Sir, — In your  
edition (September 3  
was a report from a U.S.  
correspondent about a "2

Sir,—I have been following correspondence with regard to the use of futures with me interest but there is one important point which has not so been mentioned.

The buyer of futures has guaranteed contract. The buyer of forward physical grain has guarantee. that the seller will implement his contract. He is so bound.

A. A. Hooker.

24 St. Mary Ave. E.C.3.

## Events

# Assault

AN

Nelson Handicap (3.45). Mr. Sturges's gelding is a genuine stayer, who was by no means disconcerted when finishing second to the colt in the Michael Sobell Handicap at Sandown 11 days ago.

Earlier in the afternoon, when the gelding was not so much abused, who goes well for a yearling, looks best in the Norfolk Wherry Apprentices' Handicap (4.15). Precious Drops has Top

# To-day

CHARTERED INSTITUTE OF SUPPLIERS, 3-day annual conference on "Development in the Trade-Programs for British Ambassadors" at Birmingham University.

INSTITUTE FOR FISCAL STUDIES, lecture on negative income-tax at London School of Economics, 7pm.

COMPANY MEETINGS—

AW (SECURITIES), Bradford (Chairman, Mr. B. M. Lindsay-Vy).

ASBERGERS HOLDINGS, "Comet" (Chairman, W.C.C. 12 (Chairman, Mr. P. Thomas).

ASSOCIATED BRITISH FOODS, Bangor, Rovers, W.C. 11 (Chairman, G. C. Weston).

ST. JOHN'S, 8.30.

ness and the promising  
omer, Reckless, the best in the  
lishing Maiden Plate  
2.45) and the consistent  
is likely to carry  
at 13 lbs to success in the Royal  
y Handicap Plate (3.15).  
Absolved is greatly favoured  
y the conditions of the Yare  
4.45) and it is hard to  
ualise his being beaten.

**AYR**

2.15—Bridle  
2.45—Cressida  
3.15—Lady Lowndes\*\*  
3.45—Waterloo\*\*\*  
4.15—Relate  
4.45—Miss Jessica

**YARMOUTH**

2.15—Unblased  
2.45—Precious Drops  
3.15—Cansanta  
3.45—The Bugler\*  
4.45—Absolved

**CHINA CLAYS**

English China Clays are to  
onour a three-year research  
fellowship at the new Institute of

**TENDERS FOR IMPROVING  
PART OF A44**

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Corwall Technical College, Tre-  
 sarn. The research will probe  
 a social and economic problems  
 present day Cornwall.

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 North to South Wales trunk ro-  
 involving a short length of  
 A44 near Llangurig in mid-Wales

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**TURIN, 25<sup>th</sup> September - 4<sup>th</sup> October, 1971**

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by B. A. YOUNG

Roland Rees, the director, has Terence Taplin, who certainly created a beautiful collection of abines in it.

by DIANA McVEAGH

... ..

## by CHARLES LEWSEN

4 in Edinburgh 3

Three historical exhibitions At Leiden in 1651 the Boys th

Shiraz-3 1

## by ANDREW PORTER

Scott's enormous literary output, 17th century timbered ceiling, is a labyrinth with recorded readings, illustrations from the novels, and "an interpretation in the novels, Scott and the Theatre."



with the recreation of the past.

## by RONALD CRICHTON

THEATRES			THEATRES		
HER MAJESTY	OLD 6606	Est. 3.30	TALK OF THE TOWN	RIA 6851	Est. 3.30

[illegible]

ST. MARTIN'S 836  
Sat. 5, 2.30, Mat. Wed.  
MARIUS GOING, IC







## American News

## Lean year for NY brokers

By Jack Martin

NEW YORK, Sept. 15. FIGURES compiled by the Board of the New York Stock Exchange show that members found 1970 almost as lean for profits on their commission—or pure stockbroking—business as 1969.

Of the 24 houses that had commission income in excess of \$20m., 13 ended up with a profit on this side of their business as against something over a third in 1969. But on average the unattractiveness of commission business changed very little, with the average net percentage loss on brokerage commission income rising from 2.6 per cent. in 1969 to 2.7 per cent. in 1970.

The Wall Street Journal's annual league table of the top commission income performers shows once again that the majority of the firms that made profits on this business were firms that do most of their business with institutions.

This year's top five were Salomon Bros., Goldman Sachs, Oppenheimer, White, Weld, and Smith Barney. Their return on income before tax ranged from 49.3 per cent. down to 22 per cent. Only three of the profit-making firms were houses that traditionally cater for the investing public. They were Kidder Peabody, which has achieved this feat twice running, Reynolds Securities, and Dean Witter.

Merrill Lynch, the 'biggest broking house in the U.S.' made a 4.7 per cent. net loss on its commission business. It should be stressed that these public orientated houses probably differed widely in the income that they culled from the small investor.

The comparison between 1970 and 1969 becomes less favourable when it is remembered that there was a \$15 surcharge for the last nine months of last year on all stock orders involving fewer than 1,000 shares. The Stock Exchange did not estimate what effect this had had on the top 24 houses in the league table, but it seems that for all Stock Exchange members the surcharge had a real impact on the potential loss for the year.

## Latin Americans urged to retaliate against surcharge

BY OUR OWN CORRESPONDENT

PANAMA CITY, Sept. 15. America claims the figure is 30 per cent. This represents only 7 per cent. of Latin American exports to the rest of the world, Samuel said. "It is a temporary dislocation which will be offset by currency appreciations in other important developed country markets for Latin American goods. This increased competitive potential for Latin America will be a permanent gain," Samuel said.

The U.S. claims that of \$5,200m. in Latin American exports to the U.S., only a little over \$1,000m. or about 19.7 per cent., is subject to the surcharge. These figures are based on U.S. trade data for 1970.

The newly elected chairman of the meeting, Panama Finance Minister José Guillermo Aizpuru, set the theme by charging that the U.S. had not fulfilled its commitment to the inter-American system by failing to consult with hemisphere nations on its new economic programme. He pointed out that Latin America is not responsible for the U.S. trade deficit.

## Plenary session

The U.S. has made it clear that it has no intention of eliminating the surcharge insofar as Latin America is concerned, despite the U.S. "special relationship" with the nations south of the border.

The U.S. position, put forward at the first plenary session on Monday by Under-Secretary of State for Economic Affairs Nathaniel Samuel, and reiterated on Tuesday by Assistant Secretary of the Treasury for International Affairs John R. Petty, is that only 20 per cent. of U.S. imports from Latin America are affected by the surcharge (Latin

more than four divisions to less than two "within the near future."

A somewhat tougher amendment which Mr. Mansfield offered earlier this year was defeated by the Senate in May, but only after the Nixon Administration had led a strenuous campaign against it. Mr. Melvin Laird, the Secretary of Defence, has underlined the urgency of the draft situation by announcing that he is putting other business aside this week to concentrate on persuading the Senate to act, and he and his staff have been seeking a solution through public appeals and private conversations with key senators.

On television this morning, Mr. Laird said the Pentagon must have a new draft law by November 1, or its manpower intake would start declining seriously.

## Pentagon concerned at conscription law delay

BY GUY DE JONQUIERES

WASHINGTON, Sept. 15.

THE PENTAGON, now seriously concerned by Congress' failure to renew the military draft, has launched an all-out lobbying campaign on Capitol Hill to try to cut through the obstacles which are delaying the legislation.

The old draft law lapsed on June 30, cutting off the intake of new conscripts joining the shrinking U.S. contingent in Indo-China. Although legislation to extend the draft until mid-1973 has been passed by the House of Representatives, it has become bogged down by disagreements in the Senate.

The launching of the Pentagon initiative coincided with the disclosure by Sen. Mike Mansfield, the Democratic leader, that he will reintroduce later this year an amendment calling for the reduction of U.S. troops in NATO's European forces from

## U.S. SECURITIES

## Uncertainty follows euphoria

BY NICHOLAS COLCHESTER, WALL STREET CORRESPONDENT

WHAT SORT of thaw will follow the freeze? Gradually last week the U.S. stock, bond and money markets lost some of their euphoria and began to wonder what Phase II of President Nixon's new strategy would bring. The result was a period of lugubrious trading in Wall Street and a marked down-turn in the market for corporate bonds.

Behind it all there was perhaps a nagging feeling that the new, iron Nixon was already beginning to soften at the shoulders. For it had been his steeliness that had won the market's enthusiasm on August 15—the stalwart way in which he had shovelled two years of economic failure behind him and announced a brutal new onslaught on the nation's problems. It was that which had sent the stock market up by 33 points in one day and persuaded the bond and government security markets to forget about inflation for a fortnight.

Then last week the President brought everybody back to earth. He told Congress that he was not going to maintain his freeze after the 90 days were up, that he was not going to impose a "straitjacket" of government controls, and yet that, somehow, he was going to do "whatever was needed" to control inflation. Wilbur Mills, the influential chairman of the House Ways and Means Committee, instantly criticised the President for softening his options before coming up with solutions, and the market agreed with him. In the five trading days following the Congress speech the Dow index fell 18 points to its level Wednesday of 901.65.

Over the weekend another Administration promise raised problems for the future. The market had been reassured earlier that no excess-profits tax was being considered. But then labour chiefs said that they would participate in a wage and price review Board in the second phase provided that there was a curb on profits. This left the market with another source of uncertainty.

As the tables show, most U.S. financial markets got a marked response, which was strong, to this fact that President Nixon has put a time limit on his 10 per cent. tax rebate for industrial investment.

Interest rates are of course bound up with inflation and properly belong to the discussion of the money and bond markets which follows. But it is worth noting from the stock market angle that just before the Nixon move the industrial wholesale price index was inflating at a much higher rate than the consumer price index—8.4 per cent. annual rate against 2.4 per cent. in July. So the freeze has halved an upward pressure on consumer prices and with it a squeeze on the profits of consumer product manufacturers.

In that the whole of their recent rally has been based on the investor's belief that inflation has now received its death warrant, the bond and long-term Government securities markets will be extremely sensitive to the measures that President Nixon works out for November 13. As the chart shows, yields

of long-term financing this year, so there are now signs that their efforts to improve their financial positions are tapering off. In addition, over-capacity does not augur for much major spending unless companies succumb to the presidential carrot of tax credit. Lastly, bond yields will tend to be helped down by Government efforts to keep the price of mortgages low.

The money market stayed quite stable over the month of August. The President's move eased the burden on the Federal Reserve Banks in so far as it involved the stability of the dollar, but this did not lead to any marked change in Fed policy. The Fed managed to achieve a marked slowdown in the rate of growth of the money stock in August—3.4 per cent. annual rate against 11.6 per cent. during the previous three months (money stock narrowly defined). The Federal funds rate, at which commercial banks lend their reserves to each other, stayed up at around 5.5 per cent. or more with the Fed apparently intervening if it moved beyond 5. This firmness was attributed to a substantial rise in commercial bank loans, largely to overseas borrowers. The latter may have used the money for currency speculation: a similar phenomenon occurred during the May currency upheaval.

Lastly there is the sharp decline in three-month Treasury bill rates to account for. This has been largely due to heavy buying of Treasury bills by overseas institutions and central banks trying to invest their surplus dollars. In fact, as Salomon Brothers recently pointed out, overseas investors now effectively dominate the U.S. Government securities market. Over the past 19 months foreigners have bought \$25,000m. of Government securities, while U.S. private investors have sold a net \$11,000m. Net foreign purchases this year are reckoned to be \$16,000m. to date, with \$3,000m. of that in August. These figures, comment Salomon Brothers, endow the Government securities market with a volatility component of unknown proportions.

## TREASURY BILL RATES

	%
August 2	5.27
August 9	5.37
August 16	4.92
August 23	4.74
August 30	4.55
Sept. 6	4.54

## AAA UTILITY LONG-TERM BONDS (ISSUE PRICES)

	%
August 3	8.20
August 10	8.125
August 17	7.40
August 23	7.52
August 27	7.60
Sept. 3	7.58
Sept. 10	7.45 (est)

## 3-5 YEARS GOVT. SECS.

	%
August 1	6.85
August 3	6.9
August 11	6.9
August 13	6.5
August 16	6.0
August 18	6.0
August 21	6.1
August 25	6.0

issues market and the pessimistic small investor. Consistently, the small investor had also stopped buying mutual funds, and the first news of this, in June, caused the market a minor trauma because everybody overestimated the proportion of institutional money that was in the hands of such funds.

So it was from a background of financial support that the stock market took off in dramatic response to the new economic measures. In two days the market rose by 44 points in a mad welter of buying with the volume on the Monday after the announcement a record \$1.73m. shares for the day.

But, aside from the emotional

## BR help for rail plan

WASHINGTON, Sept. 15.

THE TRANSPORTATION Department today unveiled a plan, drawn up with technical and financial advice from British Rail, to overhaul the railway system of the northeastern states at a cost of \$460m.

A department report proposed a three-year plan to set up a system of high-speed inter-city services with departures as often as every 30 minutes. It said the system would be heavily used and would be economically self-supporting.

The plan would revolutionise transport in the heavily populated corridor stretching down the Atlantic coast from New Hampshire to Virginia, an area where the department said road congestion would increase dramatically and unmanageable air traffic problems would persist through the 1970s.

## Commons discuss Canadian Tax Bill

BY OUR OWN CORRESPONDENT

OTTAWA, Sept. 15.

DEBATE on the Canadian Government's mammoth bill to revise the taxation system began on Tuesday in the Commons and there is every indication that the House will discuss it up to Christmas and perhaps into next year.

Finance Minister Edgar Benson would like consideration of the bill completed in a month or six weeks and the new revised taxation system ready to go into operation by January 1. However, opposition members say he is being far too optimistic. There are known to be over 150 Government amendments to the hastily drawn measure. Debate on those amendments as well as amendments to be submitted by the opposition parties will drag the discussion on well past two months, parliamentary veterans claim.

Revenue Minister Herbert Gray led off the debate. He said the measure, when implemented, will remove 1m. Canadians entirely from the tax rolls, reduce income-tax for 4.7m. and vary them 1 per cent. or less for another 2m. Included in the Bill are increased personal tax exemptions and a generally lower rate of corporation income-tax.



We deliver energy

Our sources of energy run the width of the world. Oil from Kuwait, Gabinda, Nigeria, Venezuela. But we don't stop there.

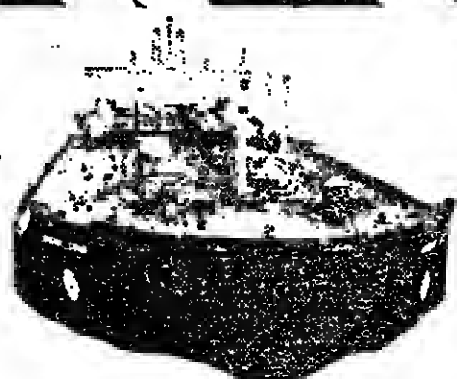
Uranium from Saskatchewan. Natural gas from the Gulf of Mexico. We're in the energy business as a whole.

To help deliver this energy, we have a fleet of 71 ships — and a revolutionary trans-shipment system, involving the six biggest ships in the world. (Another five under construction.)

But our most important source of energy is people. Gulf people. Who live where you live. Who give energy of service. Energy and ingenuity in research. Energy and care in planning.

If you have an energy problem, ask us. We deliver.

Gulf Oil (Great Britain) Ltd., Gulfbrit House, 6 Grosvenor Place, London S.W.1.





## Export News

## First in the thirst business

AN ORDER for more than 1,500 drink vending machines has been won by Vending Centre (Holdings) of Watford from the Kuwait-based Pacific Vending Company, part of the Pacific Gulf group.

Pacific Vending intends to sell the machines in 13 Middle East and north Africa states. The order is for a minimum of 300 machines a year for five years, worth £300,000. However, the British company expects the order to rise to about £500,000. It claims it is one of the largest contracts ever landed in the U.K. for this type of merchandise.

Modifications for the Middle East market include low pressure water valves and gravity fed water tanks.

The company has no sales operation, concentrating purely on manufacturing. Outside concerns handle all its marketing activities.

## Gold hat-trick

GILLETTE INDUSTRIES has won its third gold medal in succession at the Leipzig Fair for an outstanding technical product. The award was for the Technic Band Razor with adjustable cartridge and follows similar success for the Super Silver Blade and the Platinum Blade.

## Hawker Siddeley executive jet sales top 250

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

HAWKER Siddeley Aviation has now achieved total sales of 252 of its HS-125 executive aircraft, worth more than £70m, of which export sales amount to 203 aircraft worth over £54m.

As a result, the HS-125 has now overtaken the Hawker Siddeley HS-748 feeder-jet as Britain's best selling turbine-powered airliner (the biggest seller of all at present is the piston-engined Britten-Norman Islander, with over 300 ordered). The latest HS-125 sales include one to the U.S. and one to a customer in the U.K.

Hawker Siddeley is also on the verge of increasing the total still further, for it was announced from South Africa yesterday that the Government



The Hawker Siddeley HS-125—£54m. in overseas sales.

## Sweet taste of success

THE value of the U.K. confectionery industry's exports rose by £2.5m—15.7 per cent—during the first half of this year compared with the corresponding period of 1970 to reach a record of £19.7m.

The volume of chocolate and sugar confectionery exports also reached a record level—£1,000 tons compared with 47,400 tons

## No picnic in Europe builders are told

BY MICHAEL CASSELL

ENTRY into the Common Market would have "a profound effect" on the U.K. construction industry, Mr. Julian Amery, Minister for Housing and Construction, said in London yesterday.

Mr. Amery told a meeting of the National Consultative Council of the Building and Civil Engineering Industries that the removal of tariff barriers on joining the EEC would provide

"great new opportunities for those with keen enough eyes and sharp enough swords to seize them."

The Minister was commenting on a report prepared by the Department of the Environment on the industry's prospects within the Common Market. It stresses that while there would be no early or dramatic effect on the industry, membership of the EEC, with its commitment to a policy of growth, would provide a level of economic activity in which the construction world could prosper.

## Competition

Mr. Amery added: "Europe will be a tough market. Construction in Europe, as in the U.K., is a highly competitive business and all the major EEC members have well developed industries of their own. But great opportunities exist and entry will help us take advantage of them."

He warned, however: "The Common Market is not a cosy club that will protect the U.K. from economic reality and will in some way provide an easy living. On the contrary, it will be necessary for the industry to compete to use its management, marketing and production skills to the full in order to obtain its share of this large market."

The value of building material and component exports from the U.K. in the first six months of this year was 21 per cent up on the same period of 1970.

According to the Department of the Environment, total exports in this sector during the first half of 1971 were valued at £115m, compared with only £95.3m. at the same time last year.

Exports were estimated to be worth £51.5m. against £53.2m. in the first three months of the year and £50.2m. in the second quarter of 1970.

The Department warned that some allowance should be made for price increases over the period under review but even so the exporting activities of the construction supply industry seem extremely satisfactory.

Exports of glass, cement, baths, central heating boilers and prefabricated buildings have so far been particularly strong in the current year. Total exports of iron and steel, constructional components were valued at nearly £41m. in the first six months of the year, while overseas customers accounted for another £53m. worth of building materials and components.

Another £11m. worth of building materials were shipped overseas in the second quarter, bringing the total value of material exports during the first half of the year to £21m.

## Licensing and EEC-forum

THE London Chamber of Commerce and Industry is holding a forum in London on October 20 to discuss licensing and know-how deals in the light of Britain's probable EEC entry.

Subjects will include: sharing innovation across frontiers; international franchising; international technical assistance agreements; and taxation problems and international royalty agreements.



Mr. Peter Farret with friend—"I can't do business and be trendy so I don't bother being trendy."

## Keeping a tiger in his tank

BY DAVID CURRY

It is difficult to imagine anyone less trendy than Peter Farret. He is 47, wears a slightly baggy suit, and has something of the air of a harassed scientist master half-expecting the experiment to blow up.

But Peter Farret is, in fact, very trendy. He was the man who handled all the below-the-line publicity for the Esso Tiger in your Tank campaign which he worked for Astral Marketing.

He is now managing director of Trendmark, a point-of-sale company that carried off the European OSCAR in its field last year and now does work for some of the biggest companies in Europe.

## Weapons

"I can't be bothered to be trendy," he declared, strong conviction in his Yorkshire accents. "I prefer to be businesslike."

He is very proud of being businesslike. "I am a Marks and Spencer trained man, that's where it has all come from," he proclaims.

He started Trendmark in 1967 with Mr. Gordon Harrold, who ran a company making point of sale equipment. The resulting concern combined manufacturing facilities with marketing skills, and Farret put in the creative work from his experience of below-the-line advertising.

"I have done a Marks and Spencer on the point of sale field," he boasts. "My designs are outstandingly good. I hold 20 registered designs and patents. I believe in a limited but very good range."

His basic marketing concept is simple. "I decided to make a play for the top 20 companies. I said 'What would the marketing manager of this company want his salesmen to have as advertising weapons?' I provided the answer. People always accept the first things I offer them," he declared.

## IN BRIEF

The first orders for SAFEWAY baggage handling equipment have been placed with CEC-Elliott Mechanical Handling by the Ministry of Communications, Transport and Labour of Tanzania for the new Kilimanjaro International Airport.

Two SAFEWAY baggage retrieval units are to be designed for installation in the arrivals section of the new airport. Essentially each unit consists of a series of flat, crescent-shaped pallets linked together to form an endless conveying surface and capable of withstanding repeated impact at loading points and offering a far greater continuous presentation surface than has previously been possible.

Hancock Division of G. D. Peters has won an order worth £80,000 from the Astilleros Astans shipyard in northern Spain, which is modernising its shipbuilding facilities on production line concepts for producing panels and sections on the basis of maximum volume of finished work and minimum cost.

The order comprises:—One Hancock 3 axis numerically controlled gas cutting machine, which is the latest development of the Hancock Gmb.H. design and manufacturing unit; three flame planing machines for straight edge weld preparation; special tractor machines for the weld preparation of plate ends. These plates are subsequently welded into continuous strips on a specially designed welding rig for double side welding.

Lubrication Equipment, a subsidiary of Metaltrax (Holdings), the Birmingham-based engineering group, is supplying ALF automatic lubrication equipment under contract to Levy Auto Parts Company, Toronto, which has now been granted exclusive distribution rights for Canada and North America.

Negotiations are now taking place for the manufacture of ALF Equipment in Canada, under licence.

S. Davall and Sons (Bentley Group), incorporating Telford Products, has been awarded a contract worth £200,000 for the supply of gunsite cameras for the Royal Norwegian Air Force—the first Norwegian contract the company has received. The cameras will be used in the Northrop RF-5A light fighter aircraft, and will be delivered during 1972.

products are sold. The Milk Marketing Board has a year's monopoly on Al-Ways, in-out lets, where milk is sold. Wills had a monopoly for a year in tobacco and sweet shops. "This is what distinguishes us," says Farret, "and why we have carved out a little bit of the market."

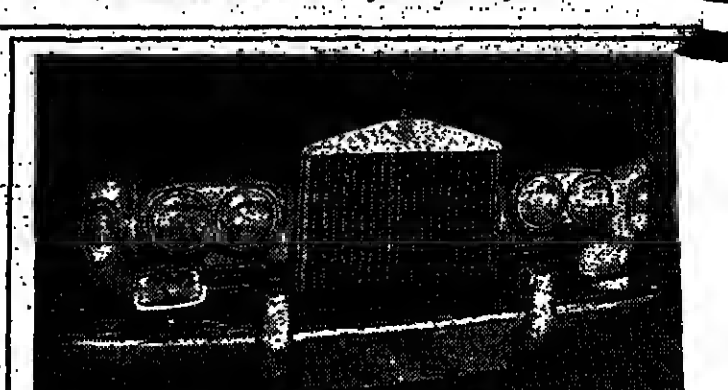
"We have patented our tank and market them world-wide. We are a marketing orientated, not a production orientated company. Our contracts are for marketing as well as supply on the product for a limited period. We deal only with very big companies."

The Milk Marketing Board has ordered more than 100,000 of the same units. Kodak and the Cheese Council bought his wheyblenders—advertising messages attached to a shelf or wall by a coil which wobbles in the air currents.

Monopoly Overseas the French Milk Marketing Board has ordered 55,000 Al-Way units, and Shell France is taking some 25,000. Farret is now negotiating with Gillette Germany for a 150,000 unit order.

One of his inaugural lines was the under shelf swing unit or flapper unit—an advertising card fitted in a frame that allowed it to swing under the shelf. Guinness have taken these to the tune of 250,000.

Farret is careful to give each company a monopoly on the units they choose for a specific time in the outlets where their jobs with anyone.



## Rolls-Royce distributors and retailers.

- |   |  |  |  |  |  |  |  |  |  |  |  |   |   |   |  |  |   |   |   |  |   |  |   |  |   |  |  |  |   |  |   |  |   |  |  |  |  |  |   |  |   |  |  |  |
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| Barnet<br>●Hadley Green Garage Ltd.,<br>202/4 High Street, 01-449 0332. | Belfast<br>●Stanley Harvey & Co. Ltd.,<br>4 Clarence St. West, 0232 41057. | Birmingham<br>●P. J. Evans Limited,<br>John Bright Street, 021-643 2911. | Bournemouth<br>H.P. Arnett & Son,<br>41/43 Poole Hill,<br>(0202) 25748 (Day & Night) | Brighton<br>●Moors of Brighton (1924) Ltd.,<br>Russell Square, 0273 26014. | Cardiff<br>●Howell's Garage (Cardiff) Ltd.,<br>301 Newport Road, 0222 35591. | Cheltenham<br>●S. F. Broughton & Co. Ltd.,<br>High Street, 0243 53374. | Colwyn Bay<br>Braid Bros. Ltd.,<br>Abergele Road, 0492 2264. | Derby<br>●Mann Egerton & Co. Ltd.,<br>London Road, 0532 47471. | Exeter<br>●Meads Road, Eastbourne 02021. | Edinburgh<br>●Rosedale Limited,<br>3 Cornhill Road, Murraysfield,<br>031-337 4281. | Falkirk<br>●Martin Water Ltd.,<br>145 Sandgate Rd. Falkirk, 03103. | Glasgow<br>●A. & D. Fraser Ltd.,<br>65 Springhill Avenue, 041-423 9011. | Griffith<br>●Wadman Springs<br>(Griffith) Ltd.,<br>Woodbridge Road, 0483 69231. | Halesowen<br>●Newbury Motors Limited,<br>Mazon Lane, 021-550 1661 (7 lines) | Hilkey<br>●Rose Bros. (Don Rhydding) Ltd.,<br>Hilkey 3431. | Leeds<br>●Anglo-Red Roppe Limited,<br>Rosedale Road, 0532 32731. | Lincoln<br>J. R. J. Mansbridge,<br>Rumbold Street, Lincoln 27123. | Liverpool<br>●Oliver Rye Garage, Hamilton St.,<br>Birkenhead, 021-647 8114. | London<br>●Jack Barclay Ltd.,<br>Berkeley Square, W.1, 01-629 7444. | ●H. A. Fox & Co. Ltd.,<br>34 Dover Street, W.1, 01-499 8962. | ●Hooper Motor Services Limited,<br>Kilbury Rd., N.W.6, 01-624 5833. | ●Kenneth Car Marts Limited,<br>72 Berkeley Street, W.1, 01-499 3434. | ●Mann Egerton & Co. Ltd.,<br>14 Berkeley St., W.1, 01-499 8962. | ●H. R. Owen Ltd.,<br>17 Berkeley Street, Mayfair, W.1,<br>01-629 9060. | Maidenhead<br>●Mead of Maidenhead Limited,<br>34 Market Street, Maidenhead 25314. | Manchester<br>●Mead Cockshott Ltd.,<br>Great Ducie Street, 061-434 3007. | Market Weighton, York<br>●Robert B. Massey & Co. Ltd.,<br>High Street, Market Weighton,<br>York, Market Weighton 2361. | Newcastle-upon-Tyne<br>●Rosedale Limited,<br>Forth Street, 0232 28981. | Northampton<br>●Grove Westons Ltd.,<br>Wellington Road, 0604 41141. | Nottingham<br>●Mann Egerton & Co. Ltd.,<br>5 Prince of Wales Road, 0603 28393. | Nottingham<br>●P. C. L. Tinsman & Co. Ltd.,<br>Huntington Street, 0602 23581. | Oxford<br>●J. D. Barclay Limited,<br>Barclay House, 250 Banbury Road,<br>0865 39944/5. | Perth<br>●Crawford's Garage Ltd.,<br>50-56 Leonard Street, Perth 25481. | Peterborough<br>●Muirhead Brothers Limited,<br>London Road, Peterborough 3481/3. | Plymouth<br>●W. Mumford Ltd.,<br>Mudley Plain, 0752 62126. | Reading<br>●Continuum Garage (Reading) Ltd.,<br>Corporation Street, Reading 34242. | St. Albans<br>●W. M. Cooper Ltd.,<br>Catherine Street, St. Albans 54344. | Salisbury<br>●Stentley (Wessex) Limited,<br>Southampton Road, 0752 5251. | Sheffield<br>●K. Keatinge Limited,<br>Ful Street, 0742 65266. | Southend-on-Sea<br>●Southend Motor & Auto Co. Ltd.,<br>Station Road, Southend-on-Sea,<br>Southend 82333-4. | Stoke-on-Trent<br>●Hatters of Benson Limited,<br>Victoria Road, Stoke-on-Trent 48111. | Weybridge<br>●Mead of Weybridge Limited,<br>105 Queens Road, Weybridge 4222. | Wolverhampton<br>●H. R. Owen Ltd.,<br>Fenn Road, 0923 27897. | Worcester<br>●Mack Ross-Royce<br>Distributors (Worcester) Ltd.,<br>and Retailers have other<br>branches throughout their<br>area, with 500000 cars<br>sold for Rolls-Royce<br>specialists. |
|---|--|--|--|--|--|--|--|--|--|--|--|---|---|---|--|--|---|---|---|--|---|--|---|--|---|--|--|--|---|--|---|--|---|--|--|--|--|--|---|--|---|--|--|--|

# Those clever Spaniards took our \$9 million loan and threw it right into the Atlantic Ocean.

Don't laugh.

The money went right into the construction of a new telephone cable between Spain and Brazil.

This is another example of Manufacturers Hanover's ability to marshal capital all over the world.

As in Australia, where we were a major credit supplier to the American company which spearheaded development of the \$386 million Mt. Newman iron ore project.

Or in London, where our merchant bank, Manufacturers Hanover Limited, managed more than \$1.3 billion of multinational loans during the last two years.

In the Far East, we led 38 commercial banks restructuring \$250 million in term loans for the Central Bank of the Philippines.

World-wide in the last eighteen months, Manufacturers Hanover has extended credit in over 75,000 individual transactions, involving over \$2.5 billion for both import and export trade.

What's all this add up to?

Whatever your financial problem overseas, we can handle it with our resources and flexibility.

Let us put them to work for you.

## Manufacturers Hanover does big things internationally

NEW YORK • BANGKOK • BEIRUT • BOGOTA • BRUSSELS • BUENOS AIRES • CANBERRA • FRANKFURT • LIMA • LONDON • MADRID • MANILA • MEXICO CITY • PARIS • ROME • SAO PAULO • SYDNEY • TOKYO

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مكتبة النحل



## European News

### Six press on with unity moves

By Registered Date, Common Market Correspondent

BRUSSELS, Sept. 15.

THE COMMON MARKET Commission is anxious to ensure that not all the impetus towards the Six's planned move to economic and monetary union is directed by the world currency crisis. The Commission is going ahead with what is intended to become an annual study of the short-term economic situation in the Community as a guide for the coordination of national economic and budgetary policies.

The Commission discussed the report at its regular weekly meeting here yesterday, and it will be presented to the Council of Ministers and the European Parliament in the next few weeks. The Commission is hoping that the Six will agree on the short-term guidelines it proposed by the end of October, when national parliaments can then get down to budgetary planning on a co-ordinated basis.

Meanwhile, the Commission is drawing up a detailed analysis of the impact of the latest U.S. measures on the Community. It is also studying the monetary, economic and commercial fields. This will be discussed at Monday's meeting of the Six's Council of Ministers, when the Commission is also expected to submit draft proposals for offsetting the effects of the American measures in the commercial sector.

The possibility of direct revaluation by commercial measures is still not being seriously ruled out in Brussels. The Commission is trying to draw a middle line between the more conciliatory attitude of the French and the more determined stance of Germany.

### ANDEAN GROUP PROPOSALS

By Our Own Correspondent

BRUSSELS, Sept. 15.

GENERAL Mercado Jarrin, Foreign Minister of Peru, had a discussion today with the Commission about the possibility of increased economic co-operation between the Common Market and the Andean group of Latin American countries.

Editorial comment: Page 18.

## French budget aims at high growth rate again

By ADRIAN DICKS

PARIS, Sept. 15.

FRANCE WILL aim at a growth rate of 5.2 per cent in real terms during 1972 and will not change the present franc parity which is assuring it expansion with full employment, the Finance Minister M. Valéry Giscard d'Estaing, announced here this evening.

Introducing a budget that he said was motivated by "consistency in balance and determination in growth," the Minister said the rate of growth of Gross Domestic Product in money terms of 5.2 per cent would be matched by the increase of tax revenue. Government spending will increase very slightly faster (by 0.4 per cent) to reach a total of Frs.190,281m. (£14,600m.), leaving a budget surplus of Frs.110m.

The other main projections are a 5.4 per cent increase in household consumption, a 5.8 per cent increase in industrial investment, a 7.2 per cent increase in imports, and an 8.1 per cent increase in exports, leaving a trade surplus of Frs.2,000m. (£338m.).

M. Giscard d'Estaing also said that the Government hoped to bring prices down to an average monthly rate of increase of 0.3 per cent, as against the 0.5 per cent registered for the year. In pursuit of this aim, the Government received this morning the somewhat reluctant support of the main employers' organisation, the Patronat, for its voluntary price limitation plan, details of which are due to be announced tomorrow.

In choosing a growth rate of 5.2 per cent, France will probably once again be at the top of the table of industrial nations, other than Japan. It is true that the Six plan, drawn up before the current monetary crisis broke, foresaw a slightly more rapid rate of 5.5 to 5.7 per cent, a year.

But this evening M. Giscard d'Estaing said France had rejected the option chosen by many of its partners to reduce its growth rate severely, and had decided instead to aim at a relatively higher rate consistent with a high level of employment.

The Government remains keen to see the main stimulus come from exports or in the area of industrial investment. On both counts it believes firmly that the present franc parity is the right one. The main expansionary impact of the budget in the public sector, as had been widely forecast, will be an increase of 20.8 per cent on infrastructural spending.

There will be a slight reduction in 1972 in state subsidies to the nationalised industries, however, for the second year running. The total will drop Frs.67m. to Frs.11,432m. In line with the stated policy of encouraging nationalised industries to stand on their own feet financially.

Within this overall figure, the contract Renault will see its subsidy almost trebled, from Frs.100m. this year to Frs.290m. UPI

In 1972, while Air France, which this year received no subsidy, will be getting Frs.120m. next year. In both cases these payments are presumably in compensation for long and damaging strikes earlier this year.

The Elf-Erap state petrol group, which had 80 per cent of its crude reserves nationalised by Algeria in February without so far agreeing on terms on indemnity, will receive the same subsidy of Frs.200m. as it got this year. It was believed to have requested double the amount.

### CZECH PARTY MEETING

VIENNA, Sept. 15.

CZECHOSLOVAKIA'S Communist Party convened a plenary session of its Central Committee in the Spanish Hall of Prague Castle today, the Czechoslovak CTK news agency said. The plenum will hear a report on "the implementation of the conclusions of the 14th party congress" held in May.

The top party officials will also discuss preparations for the forthcoming elections and "the further building up of party membership," CTK said. The main speech will be delivered by the Party's General Secretary Gustav Husak.

## Shadows over Brandt's visit

By MALCOLM RUTHERFORD

BONN, Sept. 15.

THE WEST GERMAN Chancellor Herr Willy Brandt sets off tomorrow for talks with the Soviet Party leader Mr. Brezhnev in circumstances which are not entirely happy. The visit is in response to a Soviet invitation after the signing of the first stage of the Four Power agreement on Berlin on September 3.

The official explanation is that the time seemed ripe for a further West German-Soviet exchange of views at the highest level. It was agreed that such an exchange should take place in due course when Herr Brandt visited Moscow in August last year to sign the Bonn-Moscow treaty.

### Still arguing

Since German ratification of the treaty was made dependent on the achievement of a Four Power agreement on Berlin, there is a case for saying that everything is now going according to plan. There are a number of other factors, however, for questioning this.

In the first place, ratification was made dependent on a complete Berlin agreement, not just the first stage. The second stage is an agreement between the two German States on the practical implementation of the broad principles agreed by the four powers. The third round of inner-German talks on this took place in Bonn yesterday, and made no more progress than the others—that is, none. The two sides are still arguing about a correct German text of the Four Power treaty which exists officially only in Russian, French and English.

Even when this dispute is out of the way, the two sides will still have to sort out a rather vague phrase in the treaty which says that arrangements on its implementation should be sorted out by the competent German authorities. The East Germans have already given notice that in some cases they regard their correct negotiating partner as the West Berlin Senate and not, as the three Western powers and

West Germany, insist, the Government in Bonn.

No one is yet talking of anything like a breakdown, but it is notable that the American Ambassador in Bonn has said that if he had known this kind of difficulty was going to arise, he would not have signed the treaty. The chief German negotiator in the talks, Herr Egon Bahr, yesterday said that the Ambassador was right.

Again, there was the speed of the Soviet invitation, and even more so the speed with which it was accepted—without any consultation with the Western allies. Some diplomatic sources suggested that if Bonn-Moscow relations really are being "normalised," it was the turn of the Soviet leaders to come here.

The summit is not taking place in Moscow, but near the Soviet Black Sea resort of Oreanda. On the Soviet side, probably neither Mr. Kosygin nor Mr. Gromyko, the Foreign Minister, will be present. The Chancellor's own team consists of only six including himself.

## AUSTRIA

## Boom by-passes the Bourse

BY PAUL LENDVAL, VIENNA CORRESPONDENT

THE VIENNA BOURSE, founded by Empress Maria Theresa in 1771, celebrates its 200th anniversary today amid an unprecedented economic boom. The Austrian hosts, welcoming delegates at the general assembly of the International Federation of Stock Exchanges will proudly quote the OECD survey on Austria, released on Tuesday, which concludes that the 1968-70 upswing has seen "an impressive combination of rapid growth, improvement of foreign balance and relative price/cost stability." In addition to this, the 5.05 per cent revivification of the Austrian schilling last May, coupled with its behaviour during the current dollar crisis, provides a proof that it ranks as one of the most stable currencies in the world.

### No profit

Yet oddly enough the Bourse itself has failed to profit from the sustained economic upswing and the confidence of foreign and domestic investors in monetary stability and social peace. Ever since 1962 the equity market has failed to show any signs of real buoyancy and apart from brief rallies has been characterised by an almost constant downward trend in share prices. The index, compiled by the Austrian Institute for Economic Research reached its peak 3,854 points in 1961 and hit a low of 2,178 at the end of 1968. Since then it climbed up to 2,467 in last month following a 10 per cent rise last year. Nevertheless it is still well below the level reached in 1964. In terms of the selective index, prepared by the Creditanstalt Bankverein, the 20 leading equities since February, 1962, have lost almost 40 per cent of their market value. The index however does not reflect the fact that during the past three years 32 companies have made scrip

issues to the tune of Sch. 2,200m. What are the main reasons for this paradox? To start with, in spite of a consistently high private savings ratio, the "little man," the small investor of Austria is one of the least equity conscious in Europe. According to a survey, made last year, it is estimated that only 1 per cent of the private households own equities and 4 per cent bonds, but almost half of them hold savings deposits. Even the first reforms, initiated by the previous Government in 1968-69, such as the tax-free capitalisation of reserves, and a lower rate on distributed profits did not stimulate an appreciable movement of private savings into equity investment.

In spite of a long and at times turbulent past, the Vienna Bourse today is a small market. Though there are more than 500 joint-stock companies, only about 70 have their shares listed and traded on the Bourse. Last year, when the national rate of savings of private households was almost 14 per cent of disposable incomes, the value of share transactions on the stock exchange totalled a mere Sch.333m. (some £5.5m.). Even more revealing is the fact that new share issues reached Sch.40m. that is less than 1 per cent of the net issues of bonds (including bank mortgage and communal bonds). Thus the perennial complaints about the limited availability of long-term risk capital as a result of the narrowness of the capital market are understandable and justified.

### Poor yield

It is, however, not only the ingrained aversion of the small saver that explains the inadequate provision of long-term funds. Despite an increase of the average dividends from 7.4 per cent to 8.4 per cent, the shares listed on the Bourse last year

were on a yield basis of 3.1 per cent. (compared to 3.8 per cent in 1969) which is even less than the 3.5 per cent paid on ordinary savings deposits. The average yield compares badly with the 7.5 to 8 per cent effective return on bonds. In these circumstances it is small wonder that equity investments have been negligible.

There are also other basic factors limiting the market. These include the nationalisation after the Second World War of large sectors such as oil and steel, heavy engineering and electrical industries. Furthermore, many companies are family enterprises either too parochial or too small to raise capital on the open market. Nevertheless, the surprising success of the Austrian equivalents to mutual funds and the absorptive capacity of the bond market against the background of the continuing boom in private savings clearly indicate that share ownership could be made attractive.

### Key measure

A key measure would involve above all fiscal and legal measures eliminating the fiscal discrimination against equity financing. Federal and public bonds offer considerable tax advantages to salary earners and small-scale businessmen. By contrast, double taxation is levied on companies and shareholders (company tax is deducted at source and dividend tax paid by the investor). A tax-free allowance of a mere £80 per annum hardly suffices to attract small investors to the equity market.

Recently Dr. Heinrich Treibl, the chairman and managing director of the Creditanstalt, the foremost Austrian bank and president of the Bankers' Association, suggested that up to a ceiling yet to be determined and on the basis of a 15-year

commitment, equity investment should enjoy the same fiscal advantages as fixed-interest securities do. But he also pointed out an often overlooked crucial factor, the minor role played by institutional investors, such as the large insurance companies. Although hoods accounted for 28 per cent of the investments made by the insurance companies, Dr. Treibl said: "They hardly buy shares." Therefore he proposed a change in the provisions in portfolio investment regulations relating to social security.

### Long-overdue

But, the standards of accounting and financial disclosure have to be improved still more. There has been progress in issuing mid-year or quarterly reports to shareholders. The Girozentrale, the central institution of the savings banks, investigated 51 companies; in 1965 only 12 had revealed their turnover in the annual report, but four years later the number rose to 23. Nevertheless, shareholders need more information about a company's real performance and financial position.

A revitalisation of the stock exchange is a joint task of Government and banks, companies and institutional investors. The impressive performance of the Austrian economy and the monetary stability provide excellent conditions for the long-overdue reform. The fact that last year two leading foreign companies, Royal Dutch and the International Telephone and Telegraph decided to have their shares listed and traded on the Vienna Bourse indicates the growing international interest in the Austrian market. Economic progress here has reached the stage at which the syphoning of private savings into equity financing on an appreciable scale is already a vital economic necessity.

## Wilson ends Soviet talks

By OUR OWN CORRESPONDENT

MOSCOW, Sept. 15.

MR. WILSON leaves Moscow tomorrow after a four-day visit during which his talks with Soviet Premier Mr. Kosygin and other Soviet leaders are understood to have been remarkably frank.

This openness can no doubt be attributed to the Berlin agreement which, as was apparently emphasised by the Soviet officials, has opened the way for an all-European conference and talks on mutual balance force reductions. The Soviets are understood to have given little

indication of how they visualise these negotiations.

It is understood, however, that an all-European conference still remains the Soviet's top priority and that they hope this will be convened next year.

Largely at Russian insistence, Mr. Wilson also talked with the Minister of Foreign Trade, Mr. Patolichev on Soviet-British trade and the effects of British entry into the Common Market. There is apparently concern on both sides at the present fall in trade

## Swedish trade deficit

By OUR OWN CORRESPONDENT

STOCKHOLM, Sept. 15.

SWEDISH foreign trade in July showed a deficit of S.kr.12m. compared with a surplus of S.kr.596m. (£41m.) in June and a surplus of S.kr.13m. in July, 1970. During the January-July period this year, exports rose by 13 per cent to S.kr.21,821m. compared with the same period in 1970, while imports were down 1 per cent to S.kr.20,821m. in the January-July period this year.

Although the Government's economic policy has reversed last year's trade deficit which amounted to S.kr.1,457m. in the

first seven months into a surplus of S.kr.1,632m. during the comparable period this year, they have had to introduce restrictions which have reduced demand by an almost unprecedented amount.

Now, however, some sectors of the economy are in need of stimulation as investments are down and unemployment is steadily rising and is forecast to increase as the winter progresses. But prices are still rising and are likely to stay on that course, particularly when the freeze is removed—as promised—at the end of the year.

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We build the best motor cars in the world.  
To achieve this standard we follow the principles laid down by Sir Henry Royce and the Hon. C.S. Rolls.  
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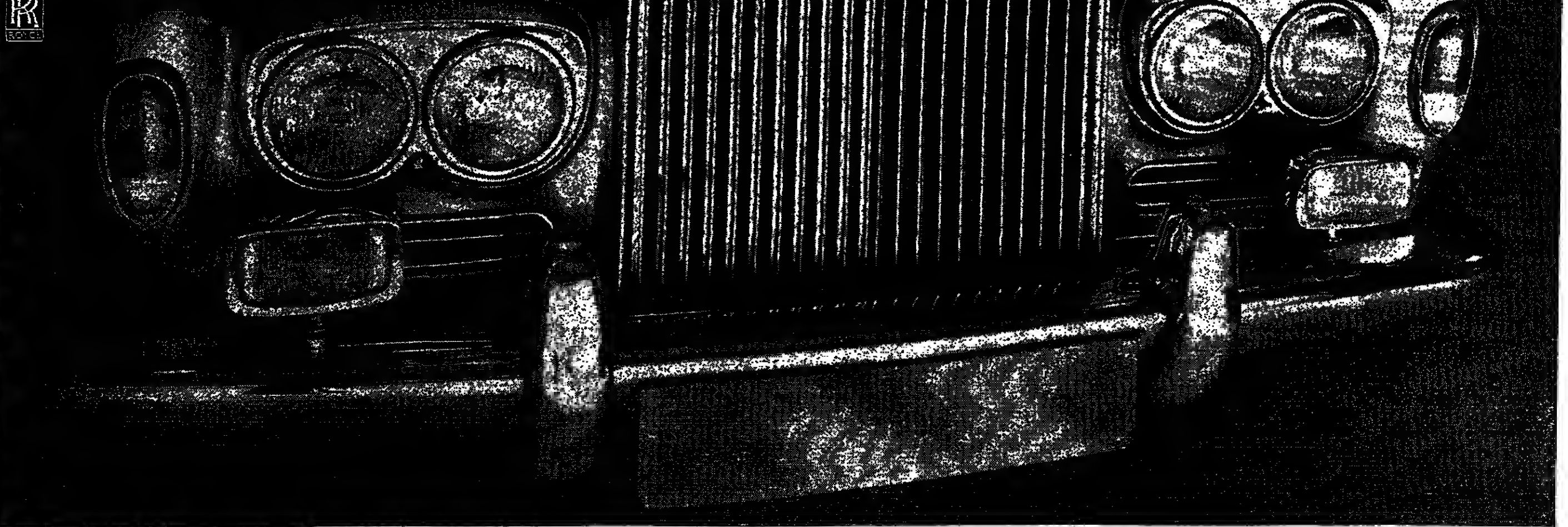
Royce showed how excellent design, impeccable workmanship, and the use of the finest materials, coupled with a sensibly selective approach to advanced engineering, could achieve these qualities.

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News

# Final Elf-Erap agreement with Algeria held up

BY ROBERT GRAHAM  
THE FRENCH State oil company, Elf-Erap, and the Algerian State oil company, Sonatrach, are understood to have reached agreement on the principles of a settlement. It appears that political rather than technical considerations are holding up a final agreement. According to one source, the talks between Elf-Erap and Sonatrach began on July 18.

So far, neither side has given any hint of progress on their attempts to resolve problems created by President Boumedienne's 51 per cent. take over of French oil interests on February 24. But it is argued that the settlement with CFP on June 30, when the other French company concerned accepted a reference price of \$3.40 per barrel, to repatriate \$2.75 per barrel, and \$60m. in compensation must have set guide lines both for price and for compensation.

The French know that Algeria is currently experiencing serious financial problems due to a shortfall in oil sales and a delay in the agreement. Therefore, it seems, they are in a hurry.

CFP resumed normal output at the end of July after a two-months' shut down. Elf-Erap, who had its share of production cut from 17m. tons a year to 14m. under the nationalisation measures, has exported 20 oil for over four months. Production overall in Algeria is now running at some 50 per cent. of capacity and this year is unlikely to be more than 30m. tons against a planned 51m. Although the CFP agreement has meant that monthly income is more or less the same as before, Algeria's reserves are stretched, and are understood to be between \$200m. and \$230m.—enough to cover two months' imports.

Financial problems have forced Sonatrach to trim its activities and virtually all exploration has been halted since August. Over half this year's exploration budget has been used up without any of the anticipated French contribution.

As a result Sonatrach gave notice of termination of contracts with five American companies last month. A combination of several heavy penalty clauses and vigorous U.S. representation has meant that a compromise is now being worked out, but exploration, one of Sonatrach's main aims and on which it has spent huge sums in preparation will be strictly limited over the next six months.

## New Tapline sabotage

BY OUR OWN CORRESPONDENT  
BEIRUT, Sept. 15.  
The pipeline was broken last week by an explosion also on Jordanian soil. It was repaired last Saturday when pumping was resumed. This time the damage appears to be worse. A Jordanian Government spokesman charged that the saboteurs came from Syria, but did not say who they were.

The sabotage of the pipeline is taken in informed quarters here as a blow to Saudi Arabia aimed at forcing her to end her mediation in the Jordanian-com-mandoo conflict. The Jeddah conference has been arranged through joint Saudi-Egyptian mediation. There is speculation in informed quarters here as to the chance of the Jeddah meeting.

## Sir Alec believes in Mid East mediation

BY OUR OWN CORRESPONDENT  
CAIRO, Sept. 15.  
SIR ALEC Douglas-Home leaves Cairo today persuaded that the next move towards Middle East peace must come from the big power Foreign Ministers' meeting at the UN Assembly in New York later this month and through a reactivation of the Jarring mission.

The Foreign Secretary made these points at a Press conference shortly before his departure for Rabat after a three-day visit during which he had talks with President Anwar Sadat, Prime Minister Mahmoud Fawzy, and Foreign Minister Mahmoud Riad.

Britain, he said, had no ambition to take over from the U.S. the role of Middle East peace broker, but did have the ambition to help find a solution. This could best be done by a joint effort from the Big Four, which would bring Dr. Jarring back into the act.

At some time there would have to be "less indirect" talks between Egypt and Israel, although that time had not yet arrived. And Sir Alec warned that with so much mutual mistrust and the deep emotions involved, there would have to be long and patient negotiation before a settlement could be reached.

Dr. Jarring was the best third party to get some movement into the negotiations, Sir Alec said. Asked about Israeli opposition to Jarring, he hoped that with greater knowledge of the Egyptian position and an idea of what prolongation of the existing situation could mean, Israel would agree to let Dr. Jarring proceed.

The Foreign Secretary emphasised that Britain's position on the terms of a settlement was still that outlined in his Harrogate speech last October, which specified Israeli withdrawal from territories occupied in the June 1967 conflict, in accordance with the Security Council resolution of November, 1967. No gloss on that position would help at this stage. He had added nothing to it and subtracted nothing during his talks in Cairo, he said.

The British softening capital aid loan offer announced by Sir Alec on Monday is in fact of £1m. a year for five years. The Foreign Secretary also had a brief discussion yesterday evening with Petroleum Minister of State Ali Wali, who asked for the Foreign Secretary's assistance in sorting out problems that have arisen in the financing of the Suez-Alexandria oil pipeline project.

## Israel 'offers Ethiopia radar'

BY OUR OWN CORRESPONDENT  
CAIRO, Sept. 15.  
ISRAELI Chief of Staff General Chaim Bar-Lev offered Ethiopia a radar network or installation on its Red Sea coast, patrol boats and missile launches during a secret visit to Addis Ababa earlier this month, the semi-official Al-Ahram alleged this morning.

He offered to train Ethiopians in the use of the new equipment and to provide Israelis to operate it, until the Ethiopians were fully competent, according to Al-Ahram.

His proposals for strengthening the Ethiopian navy and radar network would also allow for the posting of Israeli marines on the shores of the Bab el Mandeb, the southern entrance to the Red Sea, the paper adds.

## South Korea starts trade with E. Europe

BY OUR OWN CORRESPONDENT  
SEOUL, Sept. 15.  
SOUTH Korea has exported \$283,900 worth of textile goods to Czechoslovakia in its first trade transaction with East European countries. Strongly anti-Communist South Korea has been pushing for trade with "non-hostile" Communist states since last December, when a legal ban on such trade was lifted.

Mr. Shim Ui Hwan, Assistant Vice Minister of Commerce and Industry, disclosed in testimony before the National Assembly that the first shipment to Czechoslovakia consisting of \$270,800 worth of socks and \$13,300 worth of baby wear was sent recently through an Austrian firm. He also said \$1m. worth of wigs and textile goods would be exported to Yugoslavia through a Pakistani firm in barter trade in the near future.

## YAHYA KHAN ADVISER STABBED

BY OUR OWN CORRESPONDENT  
KARACHI, Sept. 15.  
MR. M. M. AHMED, economic adviser to President Yahya Khan, was this morning stabbed while he was about to board a lift to go to his office in Islamabad. He received a deep knife wound in the abdomen and minor injuries in the leg and head. Although he bled profusely his condition was reported satisfactory.

Police are still interrogating the assailant, identified as Aslam Qureshi, an air-conditioning foreman of the Capital Development Authority in Islamabad.

# NIGER URANIUM

## A dream in the desert

BY TAMAR GOLAN  
TWICE A WEEK a DC-4 of Air Niger humps to a halt on a strip of desert as near as makes no difference to the heart of Africa. Disentangle yourself from the assorted cargo of Camembert, asparagus and sundry spare parts, adjust your eyes to the glare, and confronting you in the drab khaki sand amid concrete towers and earth lips is an unbelievably blue swimming pool and a lot of green trees.

This is neither oasis nor mirage, but a modern mining settlement. We have come the easy way, our landing secured by les hommes bleus, ancient Toureg rulers of the desert, who have sacrificed nomad life for a pay-check. Many aspects of traditional life in these parts have been hardly changed; the vast mining equipment needed for the operation has to hump its way over little more than desert tracks for the last 2,000 km. of its journey up from the coast. But here in the middle of Africa is the stuff that dreams are made of—at least for a poor country like Niger: the uranium.

As mining operations go, the Niger affair is small. Total investment in the major open-cast mine will be some \$20m., while production at the moment is only about 250 tons of enriched concentrate a year. This is due to rise to around 1,500 tons a year within three or four years, and there is another area where reserves are estimated at 30,000 tons, adding up to reserves of 70,000 tons in all. But for Niger the uranium operation, and the possibility that other minerals, including oil, might also be found, is of great significance.

Niger is one of the world's poorest countries. It is landlocked, and a fifth of the 3m. people are nomads, scattered over an area bigger than France. Communications are poor; exports are mainly groundnuts and cattle, and the annual budget is only some \$40m. a year. In these circumstances, the uranium project which should realise about \$4m. a year in revenue with the possibility of good annual increments, becomes important.

The Niger uranium operation, not surprisingly, is dominated by the French, although it is significant that the Niger Government has not only insisted on having a share in the industry itself, but has encouraged European and more recently Japanese concerns to participate. The Sonair consortium, which operates the concessions square kilometres, almost the size of West Germany, while other companies include Bishop Oll and Continental Oil. The Esser Iron Company, an affiliate by the French Atomic Energy of Commissariat (CEA) and 33.25 per cent. by Pechiney (with Mokta and Société Française des Minerais d'Uranium). The Niger Government has some 17 per cent. The West German Uranogessellschaft and Agip Nuclear of Italy each have 8 per cent.

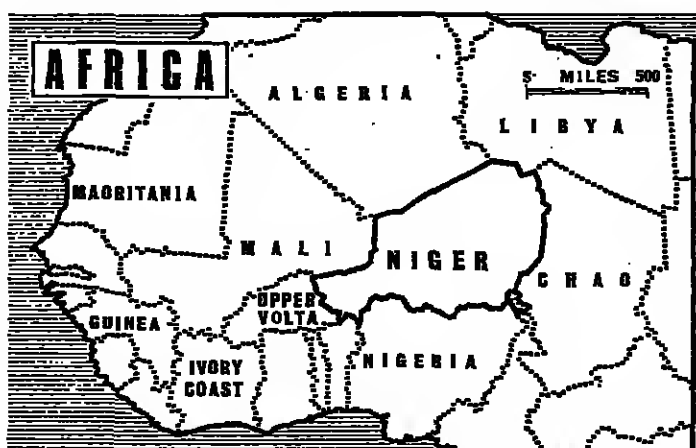
In the Akokan area, the CEA has combined with the Japanese Overseas Uranium Development Corporation and the Niger Government, since the ore is found at some 300 feet, an underground operation will be necessary. Mining, probably at a similar evaluation rate to Arlit, is planned within five years. The Niger Government also hopes that other sites, identified by the CEA and the UN at Inouaren, near the ancient caravan city of Agadez, and at Madoula, will eventually be exploited, although this may take much longer.

The whole uranium operation and the Algerian border. But a now President for over a decade, has considerable achievements to his credit, particularly on the African scene: he was, for example, accredited spokesman for the 18 African States associated with the EEC during the recent renegotiation of the Yaounde Convention, and he played a key role in the Nigeria crisis (though firmly pro-Federal he maintained close relations with the Ivory Coast and no doubt has helped smooth the path of Nigerian-Ivory Coast relations since).

In the last year or so, however, President Diori seems to have been moving towards interesting new alliances. That with Nigeria has been maintained and reinforced. Gan. Gowoo was in Niger in March on a State visit: Niger may take power from Nigeria's Kainji dam, while efforts have been made—not with much success—to curb the smuggling of ground- outs and cattle across the long common border.

But recently President Diori has been looking northwards. At the beginning of the month, he broke his holiday in France to be present at the second anniversary of the Libyan revolution: he was in Tripoli on an official visit in January. Libya is vastly rich compared to Niger and the President's overtures make obvious economic sense. Libya has already promised credits worth some \$3.5m. to Niger, to be spent on projects currently being worked out by a joint Niger-Libyan committee. The two governments have also agreed to set up a joint development bank, a chamber of commerce and a construction firm and are examining the possibility of developing a trade in refrigerated meat from Niger to Libya.

Libya can well afford to be generous to Niger, and Col. Khedafi, for his part, not only hopes to cement an alliance with a country which is 98 per cent. Muslim but to change Niger's hitherto moderate stand on the Middle East. President Diori, and the country he leads, is nobody's puppet. The last ten years have shown this. But what Nigeriens continue to hope is that their mineral dream will come true, thus ensuring that their independence is built on really sound foundations.



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London, Brussels, Paris, Los Angeles, San Francisco, San Diego, Mexico City, Tokyo, Hong Kong, Sydney, Tricontinental Corporation, Ltd., Melbourne, Western American Bank (Europe) Ltd., London, and Security Pacific International Bank, New York.

	June 30, 1970	June 30, 1971
<b>Resources</b>		
Cash and Due From Banks	\$1,274,350,748	\$2,169,582,694
Investment Securities		
U.S. Treasury Securities	499,880,658	698,534,724
State and Municipal Obligations	626,164,450	1,041,118,644
Other Securities	47,475,296	136,515,574
Trading Account Securities	54,803,728	47,652,152
Total Securities	\$1,228,324,132	\$1,923,821,094
Loans	4,163,013,333	4,671,460,286
Direct Lease Financing	95,540,376	97,854,580
Bank Premises and Equipment	102,751,218	123,546,009
Customers' Acceptance Liability	25,857,948	53,325,647
Earned Interest Receivable	39,782,857	62,185,933
Other Assets	29,339,334	36,074,533
Total Resources	\$6,958,959,946	\$9,137,850,776
<b>Liabilities</b>		
Demand Deposits	\$2,839,569,135	\$3,481,560,245
Savings and Time Deposits	3,056,050,026	4,373,293,132
Total Deposits	\$5,895,619,161	\$7,854,853,377
Borrowed Money	322,436,863	483,107,327
Acceptances Outstanding	25,857,948	53,325,647
Accrued Interest, Taxes and Other Expenses	83,166,699	75,059,607
Interest Collected—Unearned	57,935,979	65,955,506
Other Liabilities	11,462,406	11,004,422
Total Liabilities	\$6,396,479,056	\$8,543,305,886
<b>Reserves</b>		
Reserve for Possible Loan Losses	\$ 88,232,766	\$ 84,613,713
<b>Capital Accounts</b>		
Capital Stock		
Common Stock—par value \$10.00	\$ 168,000,000	\$ 204,315,300
Number Shares Authorized and Outstanding: 1970—16,800,000		
1971—20,431,530		
Surplus	\$ 182,000,000	\$ 205,684,700
Undivided Profits	124,248,124	99,931,177
Total Capital Accounts	\$ 474,248,124	\$ 509,931,177
Total Liabilities, Reserves and Capital Accounts	\$6,958,959,946	\$9,137,850,776















## Militant Youth wing under fire

BY RICHARD EVANS, LOBBY CORRESPONDENT

SCARBOROUGH, Sept. 15.

THE serious division within the Liberal Party over the advocacy of the Young Liberals of direct action politics was brought into the open during the first day of the party's annual assembly here.

### One topic

Despite the attempt by Liberal leaders to focus attention on the debate rather than the internal bickering, the relationship between the party and its Youth wing is providing the one topic of interest as far as the assembly.

Sadly, the conference itself has shown little sign of life and although the assembly chairman, Mr. Russell Johnston, MP, claims an attendance of 700, no more than half that number was present to-day.

In his presidential address, Mr. Terrell, who has produced a report for the party leader, Mr. George Thompson, recommending common membership for the senior and youth sections of the party, went out of his way to attack the activities of the more militant Young Liberals.

"There are those who think that success can be achieved by publicly propounding way-out policies which the Liberal Party has not approved," he declared.

"I say to those who think and act like that that they do not do themselves credit and certainly do not assist our party. Furthermore, I notice that such people after a brief spell of notorious publicity in our own party tend to join the tail end of one of the other two parties where they develop a suitable ability and are never heard of again."

"Such people should realise that the vast majority of the members of our party have dedicated much of their time and energy in sustaining the true faith of Liberalism in this country and are not prepared to see the Liberal Party bailed from carrying out its duty to give our fellow countrymen the opportunity of Liberal representation at local and national level. Better that they should get out or join a party that has no aspirations at all or



Mr. Stephen Terrell



Mr. David Steel

one which is not dedicated as we are to Liberalism.

Mr. Terrell argued that the decline of Britain both economically and in reputation over the past two and a-half decades was almost entirely due to the disastrous way in which it had been governed.

"One half of our country ranged against the other in a polite bloodless, continuous revolution which can only be ended by the majority of our fellow countrymen realising that politics on a class basis is ruinous and that our party is the only one which justifiably claims that people of all classes and sections of the community count."

In the debate on the urban crisis, Mr. Steel, MP for Scarborough, Selkirk and Peebles, said he was in favour of direct action of the right sort—for instance, the returning of non-returnable bottles to the manufacturers who issued them.

Mr. Steel urged the Liberal Party to lead the campaign for the protection and conservation of

the environment "which should no longer be the exclusive preserve of university departments, the Countryside Commission and the Duke of Edinburgh."

The resolution, calling for a co-ordinated programme to create a new urban environment, was accepted although a minority argued against a clause advocating "the new politics of participation."

## Bingo is still big business

Ken Gofton looks at Ladbrokes' £1.3m. bid for Arbiter and Weston, the bingo chain operator



Mr. Cyril Stein, chairman of Ladbroke Group

A SNIPPET of news which perhaps failed to make the headlines in July was that 400 lucky bingo prizewinners were having a trip to New York. Two hundred went out in the QE2, playing bingo all the way across the Atlantic; they had two days among the skyscrapers and then flew back to the U.K. by charter jet. The other 200 flew out and came back the leisurely way. All were winners of a national bingo competition organised by Mecca.

It goes to show, perhaps, that bingo still plays a large part in many people's lives, even if it makes the news less regularly than it did in its years of glory in the early 1960s. In those days, not only was it under the spotlight as a growth industry, but it became a cliché—no study of British character was complete without a reference to the nation's addiction to the numbers game of "clickety-click," "leg eleven," and "Kelly's eye."

What has brought it back into prominence this week is the news of Ladbrokes' £1.3m. bid for the bingo chain operator, Arbiter and Weston.

At one level, this looks like an odd move on Ladbrokes' part. Arbiter and Weston has about 30 bingo halls, which looks small beer alongside the total number in the country of around 1,700, and also small alongside Ladbrokes' 600-plus betting shops. However, A and W has about the fifth biggest chain in a

highly fragmented industry, and represents a way in to a field which some, at least, have found profitable.

Star Associated Holdings of Leeds is believed to be the industry leader in terms of outlets, with 147 bingo clubs, although these are probably smaller in size, on average, than the 74 operated by Mecca and the 48 of Rank. Essoldo comes next with about 37 clubs.

### The profits

It is easy to lose sight of the fact that bingo has remained big business. Customs and Excise receipts from this source totalled £39m. in 1970-71, and as the department's income comes from a 24 per cent. levy on stake money that suggests that something like £160m. a year is gambled on bingo. The Home Office estimates that 8m. people play bingo at least once a year: the total number of admissions is put at 300m.

Industry profit figures are impossible to gauge. By law, all of the stake money (less the 24 per cent. Government levy) must be paid back to the players, and the club operators have to make their profits on admission charges, refreshments—there is almost always a bar as well as tea, ice cream and snacks—and, very important, participation fees for "interval games."

However, Mecca (Grand Metro-

politan Hotels group), with 74 bingo clubs, makes bingo profits "in excess of £2m." The Rank Organisation had a turnover of £16.2m. and a profit of £2m. in 1970 from its dicing, bingo and bowling activities. Scotia Investments, with only nine halls, reported bingo earnings of £300,000 last year.

These figures look good. Mr. Cyril Stein, chairman of the Ladbroke Group, thinks so any way—and he believes that the Arbiter and Weston results, which have not sparked quite so brightly, leave room for improvement. A and W made a pre-tax profit of £300,000 on a turnover of £1.9m. in 1970.

Mr. Stein sees some similarities between bingo and betting shops, in particular the strong cash flow and the common feature of repetitive, small stakes—"People will come in every day to spend, literally, up to about 50p." He believes also that bingo lends itself to the management structure of Ladbrokes—it operates ten regional divisions. The 30 A and W clubs, if the bid is successful, will form the basis of a much larger chain, one suspects.

### The prizes

A and W might indeed fit well into the Ladbroke Group, and might represent a logical diversification. Not everybody, however, accepts Mr. Stein's case

that bingo halls and betting shops are two sides of the same coin—what might be called the "little fatter" industry. Mr. Eric Morley, of Mecca, for example, said yesterday: "That might have been true when bingo started ten years ago, but the people who go to bingo to-day don't go for the betting. They go for the social activity. There is no comparison now. Bingo now is a matter of public relations—you are selling the atmosphere of your club, and you have to have a background of stunts and special attractions."

This is echoed very largely by the Rank Organisation. Rivals for a long time, Rank and Mecca used to use their national strength to pull in the crowds with the lure of big prizes. All the balls were linked together for one big game of bingo, and the prizes could be as high as £10,000. The top limit now, since the Gaming Act, is £1,000, which is not enough to make a national tie-up worthwhile.

As a Rank spokesman put it, "The Act has called for a drastic rethink, and essentially what it has done is split us into 48 separate businesses. The emphasis now is on developing the individual club, establishing its personality, and selling that one building."

There are different ways of doing this, ranging from visits by pop groups and film stars to organising day trips to the races long way removed from betting

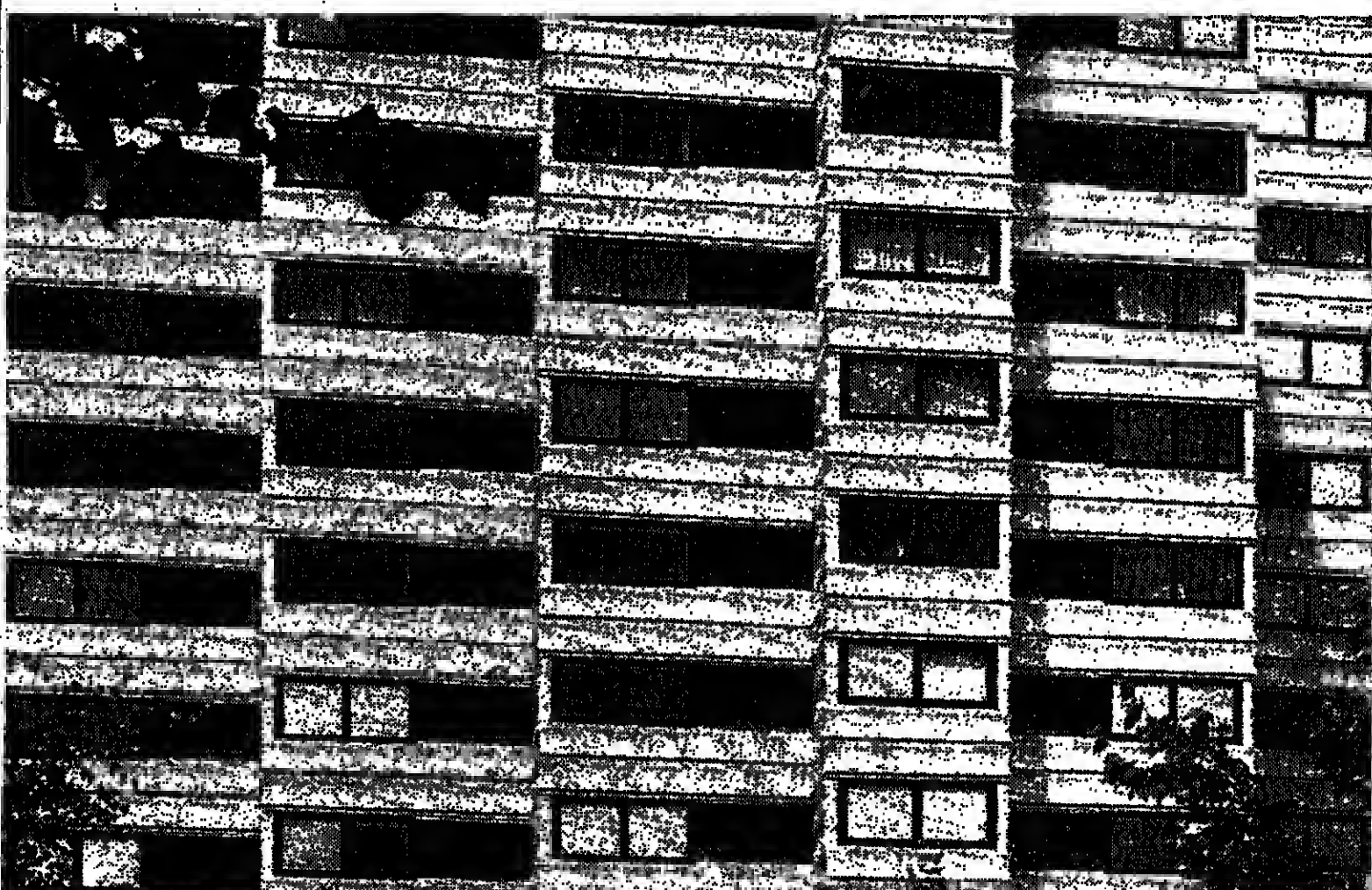
to success. Rank and Mecca are agreed, is the personality of the manager. A top-flight manager at a big hall is likely to earn over £3,000, and have a share in the profits of his club.

### The crowds

The size of the club must also have a bearing on profits, providing the crowds can be drawn in—and when the caller says "Eyes down for a full house" he may not mean what the paying customers think he means. The Rank Organisation has just opened one new club in Sheffield, sold off several smaller halls to a private northern chain. "We're frankly interested in the big clubs."

And Mecca's commitment to the large hall can be seen clearly in the company's claim that it holds only 4 per cent. of the industry's licences, but accounts for 15 per cent. of the Government's bingo levy. Whatever the reasons, it seems a long way removed from betting Central shops.

# Hoechst keeps thinking ahead



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## Local government in danger

HOUSING CONSERVATION

There was stern opposition to the assembly to the Government's proposals for local government reform.

An overwhelming vote was taken for a more democratic and more financially self-supporting local government system, with parish and neighbourhood councils supported by their local authorities. Delegates also favoured a move for a single transferable vote in local elections.

The leader of Liverpool City Council, Mr. Cyril Carr, said the "islands of democracy in Britain—local government—had been steadily eroded."

Tragically, the Government's proposals spelled the end of true regional government—a "damning blow to democracy will be destroyed if it is not possible or true local and regional inter-

ests to be represented," he said. "One of the major tasks of our party is to arouse the people in this country to the erosion of democracy."

Young Liberal Bernard Greaves said local government was in very great danger of becoming "completely irrelevant." Fewer people were showing interest in local government or voting in local elections.

The assembly unanimously affirmed its total opposition to the Immigration Bill after Lord Wade, the Liberal peer, who pioneered the fight against the Bill in the Lords, said it was widely believed that the measure was only one step.

Delegates agreed that the Bill was unnecessary—a further sop to racist prejudices and damaging to race relations in Britain.

The assembly adjourned until tomorrow.

### HOME CONTRACTS

## RB 199 development work worth £3.9m. for Dowty

Dowty Fuel Systems has been awarded a 60 per cent. share in a £3.9m. development contract by the Midland Research Station of Rolls-Royce (1971). The work concerns the RB 199 engines which will power the Panavia 200 wing-wing multi-role combat aircraft. The go-ahead for prototype production of the aircraft was recently announced. Joseph Lucas Industries and Micro Technica of Italy are the other companies involved in the development programme. Mr. W. W. Hutton, Dowty Fuel Systems' managing director, believes that this contract could lead to "the largest production order the company has ever had."

Woodall-Duckham has won a £720,000 contract from Burroughs Machines for a plant at Cramlington, Northumberland, to produce printed circuit boards for the computer industry. The plant should be completed by the end of 1972.

Timber Frames (UK) is to supply components for 62 houses at Coulsdon, Surrey, under a £58,000 contract from the Second Bourne Housing Society.

Honeywell Information Systems is to supply computer equipment costing £240,000 for the Central Electricity Generating Board's new oil-fired power station on the Isle of Grain, Kent. Delivery is started shortly, and at Solihull, scheduled for late 1973.

### LONG RANGE WEATHER FORECAST

## Warm to mid-October

THE WEATHER for the next 10 days will be warmer than usual and rather dry, the London Weather Centre said yesterday. During the first week, beginning to-day, rather unsettled weather is likely in many northern districts but it will be mainly dry over Wales and most of England and the Midlands. Over the 30-day period, a whole good deal of dry weather is expected in all areas, with one or two short wet spells. Over England and Wales the wet weather had predominated until the end of this month or later, and the mean temperature was above

more frequent than in recent years near industrial areas. The mean temperature over the period is likely to be above the seasonal average everywhere. Rainfall totals will probably be below average in West Scotland, Northern Ireland, Wales, the Midlands and western districts of England but near average elsewhere.

The Centre also reported yesterday that dry, anti-cyclonic weather had predominated over the U.K. from mid-August until the end of this month or later, and the mean temperature was above



# Zambian Anglo American Limited

INCORPORATED IN BERMUDA

STATEMENT BY THE PRESIDENT MR. H. F. OPPENHEIMER

In last year's statement it was announced that Zamanglo's policy would be to maintain and, where possible, increase its Zambian investments, but also to seek new business opportunities throughout the world in which to invest the capital funds released from Zambia following the acquisition by the Zambian Government of a 51 per cent interest in Zamanglo's major assets, the Zambian copper mines. It is pleasing to report now that our first full year since re-incorporation in Bermuda has seen considerable progress towards these aims. Zamanglo has taken advantage of the substantial flow of funds from the Zambia Copper Investments Limited (ZCI) loan stock redemption payments and the possibilities of operation from Bermuda to make investment in Australia and the United States where the long-term prospects for growth are favourable. At the same time our Zambian copper mining interests have targets for increased production. While these may be difficult to achieve by 1974, as planned, there is no reason to doubt that the targets are, in themselves, capable of fulfilment.

## PROFITS

After receiving dividends of £9,794,000 and interest and sundry income of £4,424,000, Zamanglo's consolidated net profit after tax for the period ended 30th June, 1971, was £13,954,000. This is £2,971,000 less than the previous year's profits, which of course included special terminal dividends from Rhokana Corporation Limited and Nchanga Consolidated Copper Mines (1971) Limited, the high level of which was primarily attributable to increased copper production and high selling prices.

Copper prices have since fallen substantially and this, together with the Mulidira accident to which reference is made below, caused a reduction in dividends from Nchanga Consolidated Copper Mines Limited (NCCM) and Roan Consolidated Mines Limited (RCM) which led, in turn, to ZCI paying lower dividends in its March and June 1971 quarters.

The Company paid an interim dividend of 25p and, in line with our declared intention of passing on to shareholders the bulk of Zamanglo's income, a final dividend of 15p has been declared. These dividends absorb £12,667,000 and leave, after transfers to capital and general reserve, an amount of £1,035,000 which, together with the unappropriated profit from the previous year less the special interim dividend of 12p, makes the unappropriated profit at 30th June, 1971 £4,308,000.

Shareholders will remember that, with effect from 1st January, 1970, the Zambian copper mining operations of the Anglo American Corporation Group were transferred to NCCM and those of the Roan Selection Trust Group were transferred to RCM, to facilitate the acquisition by the Zambian Government of a 51 per cent interest in each company. Zamanglo's resulting interests under this re-organisation are held through ZCI which holds 49 per cent of the issued equity of NCCM and 12.5 per cent of RCM. As explained in the director's report, Zamanglo now holds 49.98 per cent of ZCI which, like your company, is Bermudian-registered.

## COPPER MINING

In the annual report and accounts of ZCI, which gives details of NCCM and RCM production and financial results, the past year was marked by a serious accident at RCM's Mulidira mine, where a massive underground mud-rush caused a tragic loss of life and a total production setback. It was a considerable achievement that the mine recommenced production within two months. While it is currently operating at about 40 per cent of the planned production rate prior to the accident, every effort is being made to maximise production from the other divisions of RCM.

NCCM has set itself the target of increasing its copper production by approximately 100,000 tonnes to 500,000 tonnes by 1974. RCM, likewise, is aiming to increase its production to 400,000 tonnes. Although there may be problems of timing because of the difficulty of securing engineering capacity and the effect of international inflation on construction costs, these production targets remain feasible.

Together with dividends from NCCM and RCM of £12,849,000, ZCI's profit after tax for the year ended 30th June, 1971, its first full year of operations, was £13,979,000. In accordance with its declared policy, ZCI paid out virtually all of its profits including those unappropriated from the previous transitional period and, from total dividends of £18,414,000, Zamanglo received £282,000.

## ZAMBIA INDUSTRY

Members will recall that in my last statement I explained the establishment of Zamanglo Industrial Corporation Limited (Zamic), which is our vehicle for investment in the agricultural and industrial sectors in Zambia. Zamic has had a good maiden year with dividend income totalling £371,000, of which Zambia Breweries contributed £441,000. Zamic's operating profit was £896,000 which, together with estimated income tax recoverable of £382,000, enabled Zamic to pay a dividend to Zamanglo of £1,278,000.

Zambia is suffering at present from a critical shortage of a number of basic food requirements, and considerable imports have been necessary to meet national demand. Zamic has therefore launched a

large mixed farming operation, which will cost an estimated K4 million and will eventually produce a substantial proportion of Zambia's total output of maize, beef and milk. This capital expenditure is being financed by loan facilities from Zamanglo. This is the largest private investment ever to be made in agriculture in Zambia, and I am pleased that it has been possible for us to participate in this vital area of national growth. The saving to Zambia in foreign exchange as a result of the scheme is estimated at K30 million over a ten-year period.

## AUSTRALIA

I would now like to report on the progress made in pursuing our policy of diversification, to which reference has been made. An opportunity to become involved in a major new undertaking arose following the decision by the Anglo American Corporation and Charter Consolidated Groups to expand their activities in Australia, through the formation of a new company, Australian Anglo American Limited, with a capital of about £9.8 million.

Zamanglo was offered and has accepted an equity interest in the new company of 30 per cent at a cost of approximately £3.3m. It is intended at an appropriate stage to invite the Australian public to subscribe for shares.

Since its formation, Australian Anglo American has continued with the extensive prospecting programme and other activities previously conducted by the Anglo American and Charter Consolidated Groups. To date no economically viable deposits have been discovered, but several of the current prospecting ventures in which the company is participating show promise. In addition, exploratory discussions have been held with Possidon Limited, an Australian and marketing of precious metals; the marketing of ferrous and non-ferrous ores, metals and minerals; and the mining, processing and distribution of non-metallic minerals.

EMC has for some years conducted research into the development of platinum catalytic systems for use in automotive pollution control. It was therefore very encouraging when the Ford Motor Company announced in June 1971 its decision to use EMC's PTC platinum catalytic converter on its vehicles to be sold in California in 1974, when emission controls standards become effective. EMC has been further advised that it is Ford's intention to negotiate an agreement with Engelhard for the supply of its converter devices to cover all the vehicles to be sold by it in 1975 when U.S. federal standards will have to be met throughout the United States.

C Earnings per share on a fully diluted basis for the six months ended 30th June 1971 declined to US\$14.0 million, equal to 46 cents per share, as compared with 55 cents per share for the first half of 1970. This reflected both the general decrease in the level of economic activity in the United States and the strike earlier in the year at the Engelhard Industries division.

**FUTURE PROSPECTS**  
We look forward to the development of these new investment interests, and we shall take advantage of other opportunities of suitable new business. Despite this diversification, however, our Company will continue to rely heavily on income from ZCI for some time to come, and the continued profitability of the Zambian copper mining industry is therefore of great importance to us. It is particularly gratifying that the first year of our group's partnership with the Zambian Government in the operations of NCCM has been very successful. Zambian copper production equal to the highest ever achieved and costs only slightly higher than in the previous year.

At the present time there are major uncertainties as to the future of the international monetary system and, consequently, the further development of world trade. However there is reason for confidence that in the long term the demand for the products of a diversified mining organisation must grow, and we shall plan the development of our Company accordingly.

Copies of this statement and the report and accounts are obtainable from the London office of the company at 40 Holborn Viaduct EC1P 1AJ or from the office of the United Kingdom transfer secretaries, Charter Consolidated Limited, Kent House, Station Road, Ashford, Kent.

These securities having been placed privately outside The Netherlands, this announcement appears as a matter of record only.



Dfls 45,000,000

REPUBLIC OF SOUTH AFRICA

7½% bearer Notes 1971 due 1975/78

Amsterdam-Rotterdam Bank N.V.  
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Bank Mees & Hope NV  
Pierson, Helderling & Pierson

Banque de Paris et des Pays-Bas

September 16, 1971.

## GROUP INVESTORS LIMITED

Extracts from the Directors' Report and Statement of Accounts  
for the year ended 30th June, 1971

Year ended 30th June	1967	1968	1969	1970	1971
Revenue available for Ordinary					
Share Capital	£79,865	£98,600	£82,304	£99,329	£98,231
Ordinary Dividend	£86,309	£86,309	£85,294	£85,294	£85,294
25p Ordinary Shares	4,061,400	4,061,400	5,686,240	5,686,240	5,686,240
Net Asset Value per 25p Ordinary					
Share	40.4p	63.3p	55.8p	47.5p	45.4p
Capital Gains Tax Certificates		2.381p	5.17p		

\*Adjusted for 4 for 10 scrip issue in September, 1968.

## MODERNA

MODERNA LIMITED

Mr. Geo. Meredith, the Chairman, reports on 1971  
★ The Modernadown Continental type Quile introduced last year, was highlighted as 'good value for money' and has made a useful contribution to profits.

★ As to the current year, all activities during the first quarter have shown increases over a similar period last year. In particular, Export orders for the quarter are in excess of the whole of last year. The overall trading outlook is therefore extremely promising.

Summary of Results for the year	1970	1971
Turnover	£1,549,010	£1,691,413
Profit before Tax	£27,314	£52,680
Dividend (proposed)	10%	(12%)

Copies of the Report and Accounts may be obtained from the Secretary, Moderna Mills, Mytholmroyd, Halifax, Yorkshire.

## Air Canada option on further 9 TriStars

By Michael Dwyne

AIR CANADA, in confirming its order for 10 Lockheed TriStar aircraft with Rolls-Royce RB-211 engines, has also taken an option on a further nine aircraft, it was announced by the airline yesterday.

First deliveries will be in early 1973, as opposed to early 1972 under the original contract, which had been modified in the light of the collapse of Rolls-Royce last February and the subsequent increase in the price of the aircraft, which now stands at \$18.1m. each.

The Air Canada option will place Air Holdings of the U.K., which had ordered 80 aircraft and which also holds the franchise for all TriStar sales outside the U.S. The Air Canada aircraft will all come out of this 50, so that if Air Canada eventually converts its option into an firm order, Air Holdings will have reduced its own commitment by a further nine aircraft.

## Unions Act registration explained

By Our Labour Staff

THE BENEFITS, obligations and procedure of registration under the Industrial Relations Act are set out in a leaflet entitled "Registration Explained," published yesterday by the Department of Employment.

Written in simple terms, the leaflet is available free of charge from the Office of the Chief Registrar, 215, Euston Road, NW1 2BU (from October 1) or from any employment exchange.

The Act is also the subject of two video tape television films produced by the Engineering Employers' Federation to explain the Act to its members and of a booklet entitled "An Outline of the Industrial Relations Act," published by Fleeman Cooper for 25p.

In the September issue of Business Administration, an article claims that the Act will mean a chance for trade unions to double their membership among the 11m. non-unionised workers in Britain's small companies.

## 400 walk out over Perkins' redundancies

NEARLY 400 draughtsmen and technicians at the Perkins diesel engine plant, Peterborough, went on strike yesterday after deciding to stay out until the management reinstates three of their colleagues who have been made redundant. Got the company announced last night that the draughtsmen had agreed to resume normal working to-day pending talks with management at a meeting to-morrow in London.

Earlier, the company stated that the redundancy notices were issued because "there was no work available for the men concerned." The dispute had not interrupted production at the plant, it added.

## TWA STRIKE HOLDS UP FIVE JETS

A lightning strike by British employees of the American airline Trans World Airlines held up five transatlantic jets at Heathrow Airport, London, yesterday. The men involved in the token strike were mainly baggage and freight loaders.

The stoppage was over a dispute about the upgrading of some employees and a request from shop stewards that other workers should be recruited to fill the vacancies.

## Noble Grossart in new North Sea venture

By Andrew Hargrave, Scottish Correspondent

A SECOND North Sea oil and gas exploration company has been launched by Noble Grossart, the Edinburgh-based merchant bank. Called Caber Oil, it has an issued share capital of £350,000, and arrangements have been completed for the issue of all the shares.

Noble Grossart created Pict Petroleum, with an issued capital of £1m, three months ago. The main purpose of Caber is to participate in two new exploration consortia, which have applied for U.K. concessions in the latest round of licences. The groups are operated by Total Oil Marine.

Total and its French partners, Elf-Erap and Aquitaine, have been exploring in the North Sea since 1964 and have recently announced the Frigg discovery. Total also has an interest in the major Ekofisk field.

One of the new Total consortia will explore the area south of 59 degrees and a group of British

## Labour snags face engineering as unions end disputes deal

By Michael Hand, Labour Correspondent

ENGINEERING companies could face formidable industrial relations problems from the end of this year with a decision yesterday by union leaders to end the arrangements for avoiding and settling labour disputes which have been operating in the industry for the past 50 years.

Officials of the Engineering Employers' Federation admitted last night that they could not foresee whether this step by the unions would mean more strikes or less. They said, that it would be more difficult for employers and workers to settle disputes when deprived of any formal arrangements for doing so, except under the new industrial relations legislation.

## 'Resources'

They were confident, however, that the Federation, together with its local associations and member companies, had "both the resources and the will to deal with any situation which the new circumstances may bring."

The Confederation of Shipbuilding and Engineering Unions has been threatening for a long time to pull out of the 1922 pact, the agreement which made the final decision to do so yesterday when the two sides again failed to settle fundamental differences over the shape of a new disputes procedure for the industry, on which negotiations have been continuing for the past two and a half years.

Mr. Hugh Scanlon, president of the Amalgamated Union of Engineering Workers and chairman of the Confederation's engineering committee, said after the yesterday's talks that the unions had given three months' notice of their intention to end the agreement.

If any of the 24 unions involved do not want to be associated with this move they will be invited to tell the confederation's national executive at its monthly meeting in York to-day. One or two are known to have reservations about pulling out of the agreement although no union has yet officially notified the confederation that it does not intend to do so. After to-day's meeting Mr. J. M. Service, general secretary of the confederation, will send a list to the employers of the unions wishing to give notice.

Mr. Scanlon was also unable to

forecast whether the ending of the agreement would mean more or less trouble on the shop floor. During the next three months, he said, those companies who wished to do so could conclude their own far as the unions want would procedure agreements with their shop stewards.

In practice, this is unlikely to happen because individual companies are no more likely to be ready to accept the unions' terms than the Federation is nationally. But this is not to say that existing domestic arrangements will not continue.

The main effect of ending the agreement will be to remove the industrial services procedure under which the Federation and its local associations and local and national union officials are brought in to try to settle disputes.

Last year out of the many thousands of cases dealt with under the disputes procedure just over 5,000 remained unresolved and went to a works conference (the first external stage). Of these, only about 850 went through to the final stage, a central conference at York. Forty per cent of the references which went to York ended in a failure to agree a settlement. In the procedure only 1.87 per cent ended with industrial action being taken.

The employers' proposals for a new agreement included a stream-lined services procedure, formal national industrial relations committee for the industry, guidelines on domestic procedural arrangements, with a greater emphasis on the role of works committees and detailed arrangements covering the rights and duties of shop stewards and conveners.

The main stumbling block to agreement has been a fundamental difference between the two sides over the definition of status quo, the extent to which unions have a right to defer the implementation of certain managerial decisions until either agreement is reached or the negotiating procedure has been exhausted.

The employers claim that the present arrangements, which they had proposed to extend, are already more liberal than those in other important industries. But the unions say they still do not go far enough. According to the Federation, the unions' terms would mean that management would have to agree to a day-to-day administrative

## Good response to Tyne joint wage talks plan

By Our Own Correspondent

SOUTH SHIELDS, Sept. 15. arrange a CSEU meeting to agree proposals to apply such a policy. Then he hopes to begin talks with local employers, who have been asked to anchor for the day they would prefer joint wage negotiations through the confederation rather than negotiate separately with individual unions, as hitherto.

THE plan of the Tyne district committee of the Confederation of Shipbuilding and Engineering Unions to try to get a common wages policy in the river's shipyards is so far meeting with a good response.

Of the 14 affiliated unions, 13 have already indicated their support for the idea. Still to give its decision is the Boilermakers' Amalgamation, the largest and most important union in the yards and with a tradition of negotiating alone.

Mr. Don Edwards, CSEU district secretary, said to-day that the boiler-makers' district committee had still to consider the idea of a unified wages policy.

"The other unions are agreeable to investigate the feasibility of joint wages negotiations, and I think the boiler-makers will also be willing to see what it means," he said. "After all, they will be entering into the discussions without commitment."

## Meeting sought

The CSEU district committee's aim in seeking a common wages policy is to avoid a repetition in future of the leapfrogging pay claims from various unions which have caused strikes and other upsets in Tyne yards this year.

Mr. Edwards hopes soon to

## BAC pickets and police in scuffles

By Roy Rogers, Labour Staff

YESTERDAY'S second lightning strike at the British Aircraft Corporation's Filton, Bristol plant, in protest at the company's redundancy plans, brought scuffles between pickets and police and a company warning that the Concord programme could be held up. Management plans to shed 1,200 workers, 400 of them at Filton.

Workers who tried to enter the gates to head off a half-day strike called by shop stewards, were jeered and their cars rocked. The majority of the 7,000 employed at the plant supported the stoppage although there were at least 200 workers in the afternoon. Until yesterday the two sides had been unable to get together for talks because the unions wanted members of the Filton management to attend which management resisted because it included members from the guided missiles division which is unaffected by the redundancy plan. A meeting has now been agreed for Monday at a local conference as provided for under the industry's official disputes procedure.

By Our Own Correspondent  
SOUTH SHIELDS, Sept. 15. THE 130 dockers who have been on unofficial strike at Tyne Docks for the last nine days are demanding a payment of £20 from Port of Tyne Authority. Their union branch chairman, confirmed yesterday that the men were seeking compensation for loss of earnings. "This strike is due to the Authority breaking an agreement all with us about wages," he declared.

Mr. Young stressed that the men were on strike over the dishonouring of a new cargo loading agreement. "The authorities have broken the agreement," he said. "The men are not asking for a new agreement, they are asking for the old one to be reinstated."

Nine ships are held up at the dock by the strike. The ore carrier Edmore, which had been due to arrive last night, has been instructed to anchor for the day. The 30th of the ship is being held up. Awaiting developments.

Dockers' delegates and officials are meeting again to-morrow.

Some of the largest shipyards in Britain are now building new ships. The shipyard at Southampton is building a new ship. The shipyard at Southampton is building a new ship. The shipyard at Southampton is building a new ship.

## BUSINESS OPPORTUNITIES

**PRODUCTION CAPACITY AVAILABLE**  
LIGHT ENGINEERING  
Company producing one-off and short-run machines (designing, machining, casting, pressing, fitting and assembly) has surplus capacity available at reasonable rates. Location: Home Counties. Telephone in first instance please 01-245 9393. The Lord Garroway & Associates Ltd., 12a, Euston Square, London, S.W.1.

## COMPUTER PERIPHERALS

A Company with an established line of imported computer peripheral equipment seeks merger with a view to expansion. Write Box 8,391, Financial Times, 10, Cannon Street, EC4A 3DF.

## PRINTING/PROMOTIONAL PROBLEMS?

For a guaranteed quality service covering printing and distribution of leaflets, brochures, business journals, books, etc., contact: DERMOTT'S CITY BUSINESS SERVICES, 2, Camden Terrace, Bradford, Yorks. Telephone: Bradford 31793 (STD code 0274). Overseas enquiries welcomed - bulk order discount offered.

## NEED HOUSE MAGAZINES BE AN EXPENSIVE BORE?

Costless! This is the only magazine for housewives and mothers for themselves many times over. It is highly readable and entertaining, and it is the only magazine that will help you to make the most of your money. It will also help you to make the most of your time. It will also help you to make the most of your energy. It will also help you to make the most of your health. It will also help you to make the most of your life. It will also help you to make the most of your future. It will also help you to make the most of your present. It will also help you to make the most of your past. It will also help you to make the most of your family. It will also help you to make the most of your friends. It will also help you to make the most of your community. It will also help you to make the most of your world. It will also help you to make the most of your life. It will also help you to make the most of your future. It will also help you to make the most of your present. 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# PLESSEY in 1971 Chairman's Review

...The Company's financial position is strong and its abilities in every sense are growing stronger; as I have shown, what we have done to date is to make the Company not only larger but potentially more profitable; this will be in the longer rather than the short term...

claiming says Sir John Clark, Chairman of The Plessey Company Limited, in his Annual Review  
lost want be circulated to Shareholders with the Annual Report and Accounts for 1971.

The Plessey Company in the year under review has taken further steps towards structuring its business so that it can participate better in the major markets of the world, notably the United States of America and Europe.

We have substantially improved our major US acquisition by both investment and re-organisation; we have built into it additional products so that today Plessey in North America covers a wide and growing range of the parent company's products and is integrated into its management systems, financial control and technological development. Some of the newly introduced products have involved investment which will require time to mature; such as connectors, memories, telecommunications, oceanography and aids to the future detection of the environment. We have had some trading disappointments in the US, but are confident that we were right to expand operations in the largest market in the world for our types of product. We continue to build in Europe the path we intend to follow in participation of Britain's entry into the Common Market and to this I have acquired new manufacturing interests in electronic components; further established ourselves in computer memory supply; enhanced our already well-established position in Portugal and developed in Italy and Malta. We have invested substantially to improve our marketing status and will now be able to promote more effectively many of our UK products. We have also given renewed attention to our steadily developing marketing position in the Middle

Both Plessey Australia and Plessey South Africa are building for future in an efficient and promising manner and have earned good reputations as major assets within their respective industrial societies. Similarly our Brazilian company has made great strides forward during the past year and will be a useful springboard to the South American market.

As shareholders have come to know, Plessey's business is in the advanced technology of communications and, to the extent that it is in the Public Sector, subject to a degree of international, political and economic influences. We have therefore to be world-wide in our operations, constantly seeking ways and means of improving our competitive position. We cannot stand behind the white cliffs of Dover and expect the market to come to us.

We are having to deal with the effects of reduced government demand for defence equipment combined with changes in public procurement policies. We are giving increased attention to contract conditions. Remuneration and incentives are again under review in order to ensure that the Plessey management, down to levels where individual decisions can impact on profit, is given full encouragement and support. Some further relaxation by HMG in the field of direct taxation would be of great benefit to industry in these respects.

## Management Re-organisation

The year has been notable for the completion of a major management re-organisation. In order to achieve the fullest concentration on product exploitation our former "Groups" have been replaced by "businesses", nearly all of them smaller and centred in the main market/technology areas; each "Business" is under a fully responsible general manager. As a result the lines of communication between management and those responsible for the business units are shorter and there is a new and continuous involvement by both sides in policy and strategy. There will be some consequent savings in administration costs. The new system is already in operation and I have been pleased by the way in which our executives have accepted large-scale change.

## Financial

The overall financial results for the year under review are disappointing. The major adverse impact on our profits has come from the US because of the continuation of their depressed industrial conditions. In addition to losses from our new acquisition profits from original US business were substantially reduced and we incurred set-up costs for the new products' introduction I have already mentioned. Depressed conditions developed during the year in the United Kingdom and Europe. Order intake was reduced and we faced

the now well understood phenomenon of cost inflation on an unprecedented scale. The effect was to reduce the margins on both home and export sales.

There have been labour stoppages in some of our major factories which have made planned financial results extremely difficult of achievement.

One of the great strengths of your Company, however, lies in its ability to absorb these set-backs and their costs and yet maintain a strong financial position. A net adverse cash movement on operations reflects a low rate of investment in additional working capital, which means that even in this difficult year there has been a marginal improvement in the working capital ratio.

Our liquidity position remains strong; at the year end in the United Kingdom we held reasonable cash balances and substantial, unused bank overdraft facilities. The \$25 million Eurodollar loan raised earlier in the year has provided the necessary funds for projected overseas expansion, as well as enabling us to convert some of our short-term borrowing into long-term loan capital. The overall position is thus that we have sufficient in-house cash and facilities to carry out all planned programmes of development and expansion. We continue to pursue our objective of being self financing while at the same time maintaining a reasonable return to shareholders.

## Industrial Relations

In industrial relations it remains our firm policy to maintain close liaison with trade unions at local and national levels. These relations are good and increasingly well established even though, as I have said earlier in this review, there has been some effect on output by local strikes and withdrawal of labour. In some parts of the business order books shortened making redundancies regrettably necessary. Nowhere was the order fall-off more drastic than in our enlarged Numerical Controls company where a 50% decline in UK business and 30% overseas forced the closure of the recently acquired Argyll Works in Scotland. This was a harsh decision for us to have to take and—I recognise—a grievous blow to Scottish people at a time when their hopes of other work are small. It is always difficult to reconcile commercial realism with human needs. The failure of a well intentioned plan to take a developing activity to Scotland is keenly felt by the management of the Company. This and the other industrial matters I have mentioned have made it a difficult year for some of our employees. We continue to rely on the contributions and loyalties of many thousands of people spread across the countries of the world and I would like to record our thanks to them.

## New Board Member

During the year we welcomed to membership of the Board Sir Charles Elworthy who, with his long and distinguished career, will bring a real contribution to the problems and policies the Board will need to resolve.

Although we thanked Lord Harding at the last Annual Meeting for his years as our Chairman it is appropriate that our appreciation should be recorded in this review of the Company's official year.

## The Trend

As to the future, we now have an enlarged equity base at a time when world conditions are not improving as rapidly as we would wish; there are, therefore, some big tasks ahead of us. The Company's financial position is strong and its abilities in every sense are growing stronger; as I have shown, what we have done to date is to make the Company not only larger but potentially more profitable; this will be in the longer rather than the short term.

As to the short term, the first half of the financial year is unlikely to show any improvement, but I believe we can look more confidently at the second half. In the United States we anticipate a slow but progressive economic and industrial improvement. Here in the UK results from the Government's substantial consumer tax changes and other aids to industry may not show themselves with full impact until 1972.

## Fourth quarter and full year results Financial year 1970-71

The Plessey Company's consolidated results (excluding those for Alloys Unlimited, Inc.) for the fourth quarter to June 30 1971 and for the year are as follows (with the previous year's results and the equivalent quarter by way of comparison):

	3 Months to June 30 1971	3 Months to June 30 1970	Year to June 30 1971	Year to June 30 1970
Turnover	66 964	60 900	230 464	207 836
Profit on Trading	7 792	9 335	31 453	31 815
Depreciation	(1 995)	(2 018)	(7 804)	(7 131)
	5 797	7 317	23 649	24 687
Investment Income	494	578	1 486	987
—Trade Associates	158	412	950	1768
—Other	336	166	536	—
Profit before Interest and Taxation	6 449	8 307	25 095	27 442
Interest Payable	(770)	(847)	(3 178)	(2 542)
Profit before Taxation	5 679	7 460	22 917	24 900
Taxation	(2 272)	(3 160)	(9 147)	(11 130)
Profit after Taxation	3 407	4 300	13 770	13 770
Minority Interest	(105)	(79)	(189)	(189)
Supplementary Depreciation	(44)	(44)	(200)	(212)
Profit before Extraordinary Items	3 258	4 177	13 361	13 389
Extraordinary Items	(193)	—	407	—
Profit attributable to Members of The Plessey Company Limited	3 065	4 177	13 768	13 389
Earnings per Share in pence				9.2p

The Company's Annual Report & Accounts as at June 30 1971 will be prepared on a fully consolidated basis (including Alloys Unlimited, Inc.) and will show the following audited results for the year ended June 30 1971 (July 2 1971 in the case of the Company and its UK subsidiaries).

	Year to June 30 1971	Year to June 30 1970
Turnover	258 071	27 607
Profit on Trading	32 323	676
Depreciation	(8 950)	(1 148)
	23 373	(276)(Loss)
Investment Income	1 486	106
—Trade Associates	1 066	(178)(Loss)
—Other	420	—
Profit before Interest and Taxation	25 825	(1 303)
Interest Payable	(4 481)	(1 473)(Loss)
Profit before Taxation	21 344	682(Loss)
Taxation**	(8 465)	(791)(Loss)
Profit after Taxation	12 879	(107)(Loss)
Minority Interest	(222)	(33)
Supplementary Depreciation	(200)	—
Profit before Extraordinary Items	12 557	(824)(Loss)
Extraordinary Items†	(1 388)	(1 776)
Profit after Extraordinary Items	11 169	(2600)(Loss)
Earnings per share	6.8p	—
Before Extraordinary Items	6.1p	—

\* The figures for Alloys Unlimited, Inc. for the 12 months to 30th June 1971 take into account the effect of changes in accounting bases to accord with those employed by The Plessey Company Limited which were not given effect when previously reporting figures for the nine months to 31st March 1971.

\*\* Taxation includes a tax equalisation charge for 1971.

† The extraordinary items (less taxation) are as follows:—  
USA Cost of rationalisation, including a provision of £295,000. (900)  
Adjustments to accord with Group accounting policy. (876) (1,776)  
UK Change in Corporation Tax Rate relating to prior years. 678  
Other (net) including provision for closure of Argyll Works. (271) 407  
(1,388)

The extraordinary items arising in the USA would under existing UK accounting practices, have been charged to Goodwill and were, in part, so treated in previously issued documentation.

Dividend and Annual General Meeting  
The Directors are to recommend a final dividend of 5% making a total for the year of 10% (same). This final dividend, if approved, will be paid on 28th October 1971 to shareholders whose names are recorded in the Register at close of business on 22nd September 1971.  
The full Report and Accounts will be sent to shareholders on 29th September 1971 and the Annual General Meeting of the Company will be held on Thursday 21st October 1971. 15th September 1971

The Plessey Company Limited, Ilford, Essex, England





# GENERAL MANAGER

## £10,000 p.a.

A fast-moving packaged goods company with an annual profit exceeding £3 millions is looking for a General Manager to be responsible for all its markets outside the U.K.

The job would be based in London and carry a salary of up to £10,000 p.a. plus all the fringe benefits that go with such a salary. There will also be the opportunity for an early Board appointment.

The successful candidate will have had sales/marketing/advertising experience in the consumer field, followed by managerial experience.

He will probably be between 35 and 45 and already earning not less than £7,000 p.a.

The job involves close liaison with a major international advertising agency, and a second language—preferably French—would be an advantage.

This appointment carries with it the opportunity to define and develop a major role in a major company. Please write to the address below. Your application will be treated in strictest confidence by the consultants handling this appointment. Your identity will not be revealed to the advertiser without your permission.

Write to Box A2207,

Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY

## COMPANY NOTICES

### WESTERN REEFS EXPLORATION AND DEVELOPMENT COMPANY LIMITED ("WESTERN REEFS") VAAL REEFS EXPLORATION AND MINING COMPANY LIMITED ("VAAL REEFS")

SOUTHVAAL HOLDINGS LIMITED ("SOUTHVAAL")  
(All of which are incorporated in the Republic of South Africa)  
EXPANSION AND RATIONALISATION OF OPERATIONS IN THE ORKNEY AREA

Members of the above companies are advised that the Scheme of Arrangement providing for the acquisition by Vaal Reefs of the entire issued capital of Western Reefs was confirmed with modification by the Supreme Court of South Africa (Whitaker and Local Division) on 14th September, 1977. The final Order of the Court will be delivered to the Registrar of Companies for registration on Monday, 20th September, 1977, which date will then become the "Operative Date" for the purposes of the Scheme and other associated matters affecting the above companies, as follows:

- (i) The registered members of Western Reefs in Johannesburg and the United Kingdom will close at the close of business on Friday, 17th September, 1977, and will not be re-opened. Members of Western Reefs registered at that date will receive one Vaal Reefs share for every two shares in Western Reefs registered in their name. Such shares will be allotted on 20th September, 1977. Fractions of one Vaal Reefs share arising will be sold to the person entitled thereto.
- (ii) The listing of Western Reefs shares on the Johannesburg and Rhodesian Stock Exchanges, and their quotation in the Stock Exchange, will cease at the close of business on 17th September, 1977.
- (iii) The Committee of the Johannesburg and Rhodesian Stock Exchanges have granted primary listing for the 3,500,000 Vaal Reefs shares to which members of Western Reefs become entitled in terms of the Scheme of Arrangement with effect from Monday, 20th September, 1977. Certificates in respect of Vaal Reefs shares due to members on the Johannesburg and Rhodesian Stock Exchanges will be available to such members on or after Friday, 1st October, 1977, against surrender of the old Western Reefs certificates. In terms of the Scheme of Arrangement, the Vaal Reefs shares shall be issued to members in payment of the proceeds from the sale of fractions of Vaal Reefs shares arising from the 3,500,000 Vaal Reefs shares on the Johannesburg Stock Exchange from 20th September to 1st October, 1977, will be for settlement on account No. 42, and dealings from 4th October will be for normal settlement.
- (iv) The Council of the Stock Exchange, London, has granted a quotation for the admission to deal in the 3,500,000 Vaal Reefs shares with effect from 20th September, 1977. Certificates in respect of such shares will be issued to the United Kingdom transfer secretaries to such members on 1st October, 1977, and dealings in payment of the proceeds from the sale of fractions of Vaal Reefs shares arising will be issued to the persons entitled thereto on 4th October, 1977.
- (v) Where a person who is not a registered holder transfers to the transfer secretaries of Western Reefs, together with an instrument or instruments of transfer, in the event of such shares being transferred to the transfer secretaries of Western Reefs, such transfer or transfers will be effected by Vaal Reefs as a valid transfer to such person of the Vaal Reefs shares arising therefrom, but so that such person shall have no claim against Vaal Reefs in respect of any fraction of a Vaal Reefs share due to him, and that such person shall be against the transferor or transferors only.
- (vi) The Committees of the Johannesburg and Rhodesian Stock Exchanges have also granted a quotation for the admission to deal in the 3,500,000 Vaal Reefs shares in South Africa to be allotted to Western Holdings Limited and Vaal Reefs in terms of the Scheme of Arrangement, and the Exchange Statement dated 11th August, 1977, and the Council of the Stock Exchange, London, has granted a quotation for the admission to deal in these shares with effect from the same date.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED  
London Secretaries,  
40, Mark Lane, London EC3P 1AJ,  
18th September, 1977.

### ZAMBIA COPPER INVESTMENTS

(Incorporated in Bermuda)  
NOTICE TO MEMBERS

NOTICE IS HEREBY GIVEN that the second annual general meeting of Zambia Copper Investments Limited will be held at the Bank of Bermuda, 21, 23, 25, 27, 29, 31, 33, 35, 37, 39, 41, 43, 45, 47, 49, 51, 53, 55, 57, 59, 61, 63, 65, 67, 69, 71, 73, 75, 77, 79, 81, 83, 85, 87, 89, 91, 93, 95, 97, 99, 101, 103, 105, 107, 109, 111, 113, 115, 117, 119, 121, 123, 125, 127, 129, 131, 133, 135, 137, 139, 141, 143, 145, 147, 149, 151, 153, 155, 157, 159, 161, 163, 165, 167, 169, 171, 173, 175, 177, 179, 181, 183, 185, 187, 189, 191, 193, 195, 197, 199, 201, 203, 205, 207, 209, 211, 213, 215, 217, 219, 221, 223, 225, 227, 229, 231, 233, 235, 237, 239, 241, 243, 245, 247, 249, 251, 253, 255, 257, 259, 261, 263, 265, 267, 269, 271, 273, 275, 277, 279, 281, 283, 285, 287, 289, 291, 293, 295, 297, 299, 301, 303, 305, 307, 309, 311, 313, 315, 317, 319, 321, 323, 325, 327, 329, 331, 333, 335, 337, 339, 341, 343, 345, 347, 349, 351, 353, 355, 357, 359, 361, 363, 365, 367, 369, 371, 373, 375, 377, 379, 381, 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## The Marketing Scene

CMB

THE CARROT MARKETING BUREAU

TELE: CARAT LINES  
LINCOLN 14305  
3, THE CATTLE MARKET LINCOLN SKE 10X ESTABLISHED  
(FORMERLY THE SOCIETY FOR THE PROTECTION OF THE CARROT) 1955

## Cambridge goes topsy-turvey

BY ANTHONY THORNCROFT, MARKETING EDITOR

ANYONE wandering around Cambridge at the end of the last week was in danger of being asked for their opinion on carrots or waylaid by a news-vendor shouting about the "Great Taste Tasty Tobby". There was no need to be alarmed: the belligerents were only top marketing executives from companies like Lever Bros., Unigate, Colgate, Boots and Guinness' conscientiously trying to act like advertising agency people.

It was the annual volte-face, the one occasion when clients imagine the unbelievable—that they are members of an advertising agency, and when some of the top creative men in London presume to be clients. The idea is that through this reversal of roles, companies will understand better what their agencies' problems are, and advertising executives will appreciate the difficulties of the advertiser.

Over 30 executives came to King's College, Cambridge, last Thursday for the four-day course. They were split into seven agencies and asked to compete for one of two imaginary accounts—Parsons Pastes, a product which was rapidly running out of steam in a rather stagnant market; and the Carrot Marketing Bureau, a body of carrot producers willing to spend £400,000 on advertising to persuade consumers to accept a leaner, smarter, more uniform carrot.

## Nerve racking

The whole basis of the course is that you should be able to spend reality: you must enter the experiment fully and consistently. There are actual pastes and carrots around, at notepaper for the "clients". One man from Gallahue found the whole thing impenetrable and went home early. The remainder of the actual presentations on Saturday were nerve racking experience.

This year the participants had been given a few more hours to prepare their advertising campaigns (all of which included television commercials during the seminar). This year they had been given a few more hours to prepare their advertising campaigns (all of which included television commercials during the seminar). This year they had been given a few more hours to prepare their advertising campaigns (all of which included television commercials during the seminar).

success. And the organiser, the Creative Circle, was impressed by the steady improvement in the advertising campaigns produced over the four years of the project. Perhaps it is actually succeeding in its aim. The run through of all the campaigns on Sunday morning is rather like a school concert and prize-giving rolled into one, but some of the campaigns produced were quite memorable.

The William Makepeace Thackeray agency won the Carrot Marketing Bureau account, featuring earthy farmers actually pulling up the new carrot (from the lawn of King's College) with the slogan the Better British Carrot. But the "clients" had a lot of trouble with this agency. They were rather disdainful in their approach and presentations, and it was such personal clashes occur that the full importance of the seminar is apparent. For it suggests that clients do feel rather disdainful towards agencies and sometimes refuse to take their job seriously. In the same way the "clients" were disturbed at some of the hyperbole used by the "agencies" in their presentations. The natural thought was do they when they are clients in their real life get this sort of approach from agencies and so automatically adopt it when changing roles.

Robin Ray, of Lonsdale-Crowther, for one went away to re-think his agency's attitude to presentation. Brian Palmer of KMPH decided to produce a check-list of what not to do at presentations based on the pitfalls the spoof "agencies" fell into. Even so the Thackeray agency won because it actually did undertake street interviews for research, its commercial was the most professional, and because after the clashes of temperament the "client" and "agency" formed a better relationship. "We got down to personalities—which is what the agency business is all about."

Too many of the other agencies played safe (using a Bugs Bunny character to promote carrots, for example), or followed existing advertising slogans too closely, or over-emphasised a sexual approach. Even so the actual commercials, with back-up Press copy and a coherent advertising theme, had been developed in two days by newcomers to the business. A remarkable achievement.

For the other account, Parsons Pastes, the three agencies competing were more evenly matched. Thomas Bahington Macauley almost won it with its news-vendor commercial, but the "clients" felt it would drive TV audiences mad after about a

week of transmission. There was also the danger that while it knocked other pastes for lack of taste it was knocking all pastes. So the agency won the heat acting and ingenuity awards but the account went to Jerome K. Jerome for a campaign based around the slogan "The Taste Tempters."

But although the competition is important it is the merging of advertiser and agency people in a maelstrom of confused identity which is the real attraction of the seminar. As Anthony Pugh of Masius Wynne Williams said in his closing remarks "delegates should go away feeling that they can take agencies more into their confidence. And as agency people we know now that we should not over-sell with bland hyperbole. We know how incredibly boring it can be."

So despite the fact that this seminar walks a rather thin tightrope between reality and farce, in the end everyone goes away happy. "We now know the problems," say the delegates, although one admitted that in three weeks' time only the memory will remain rather than any definite change in its client-agency relations. Indeed one delegate said, after proudly producing his campaign in 24 hours, that he would want to know why his agency could not produce new creative work equally quickly.

But in the main this is an excellent public relations exercise for agency and, particularly, creative people. To a certain extent they are on show, even though no living accounts are likely to move through personal contacts formed. They played up to their reputation last week-end by raiding one "agency" while it was making a presentation, removing its research data and furniture and announcing it had been taken over by "Berkeley (or Berkeley?) Square Securities," and later by introducing Brian Palmer as a member of the client Board with a stutter just after the agency's commercial had been unveiled as being based around a stuttering child.

The Cambridge seminar works, if you sit and think about it, reality is far away over the Backs, but in the way it throws clients and agency people into close proximity with intellectual exercises and a feeling of enjoyment it bridges the gap between two worlds. The gap ought to be non-existent but in practice it too often weakens the effectiveness of the advertising industry. And this year it gained the impression that it had proved just as useful to the agency participants as to the company marketing and advertising executives.

## Mail shot across the centuries

THE 1970 Silver Mailbox, awarded to overseas companies by the Direct Mail Advertising Association of America, has been won by the Experimental and Electronic Laboratories of the British Hovercraft Corporation.

Marketforce designed a three-shot mailing to 1,200 naval and marine architects in 33 countries (excluding Russia, China and Japan). The first mailing was based on original plans and historically accurate information relating to a round Russian battleship. Together with these plans a personally addressed letter was also enclosed, written in the idiom of the day and dated October 31, 1875. The design of the ship was ostensibly to be a royal yacht for Czar Nicholas II. Elder and Co., of the Clyde, were commissioned to build this yacht, which was circular in shape.

The second mailing was dated October 31, 2075, and included a microfilm and top secret cypher relating to the "East State Fire Scarcraft" allegedly de-

signed by the Chloese at the time of the "Second Revolution." This hydronfoil seacraft was also circular, incorporating, among other gadgets, two low-level VTOL attack fighters.

The third mailing included a questionnaire from the British Hovercraft Corporation to the 1,200 architects. A straight-forward covering letter asked them to complete it, indicating their areas of interest and need for British Hovercraft services in the Isle of Wight.

All three mailings took place in October and November, 1970. The total cost to British Hovercraft Corporation, including Marketforce design work, in-depth research, production, mailing and postage charges was £2,400. There was a 5 per cent. response to the questionnaire.

Peter Dix, British Hovercraft Corporation chief sales engineer, visited the U.S. in order to follow up the high quality direct mail leads, and within six months over £20,000 confirmed contracts had been negotiated. Many other contracts are currently being negotiated.

## TV attacks smoking



either a super 2 weeks holiday for  
lure in Andy Murray.

THIS SUNDAY sees the start of one of the biggest TV advertising campaigns ever—to try and discourage smoking. The Health Education Council is spending £120,000 in two weeks on a series of four commercials produced by agency Saatchi and Saatchi. This far exceeds the average weekly advertising budget of companies like Heinz and Kellogg's.

The money comes from a special Government grant of £100,000 on top of another £100,000 annually given to support the work of the Council. One region, Tyne Tees, will not see the commercials, and £11,500 will be spent on research to estimate the effect of the campaign on those areas which saw it and the one that did not. The full results should be known by January and this will influence decisions on whether the anti-smoking campaign will reappear on TV in 1972. There will also be Press and poster push around the turn of the year.

In addition Sir Keith Joseph, who is impressed by the commercials, is trying to get the BBC and the ITV companies to run them as a public service after the paid-for campaign has finished. The ITV companies are anxious not to offend the

cigarette companies who advertise cigars and pipe tobaccos, but they may bend to Government pressure. The four commercials have been made with very different audiences in mind. One shows the anti-social effects of smoking if you are young, another (shown here) emphasises the expense, a third the risk to the health and a fourth links this with the activities of the lemmings who periodically push the herd into suicide.

The commercials were introduced yesterday by Baroness Birk, chairman of the Health Education Council, who said that 60m. viewers would see the commercials between nine and 15 times. They would go out twice a night at peak viewing times and more frequently at week ends. Similar TV commercials had been shown in the U.S. and Germany but it was difficult to measure the effectiveness. However they had certainly helped the Baroness to cut down on her own smoking.

A. T.

## free woman



Two ways of using stations, with their large throughput of consumers, as selling mediums. The traditional method shows merchandising girls offering a card which entitles purchasers to a free zodiac symbol if they buy a copy of Woman magazine at certain stations this week.

The other selling medium is more ambitious. It envisages a giant television screen, measuring 20 feet by 15 feet, prominently displayed on a station concourse. On to the screen through an "Eidophor" television projector, a TV camera, and an electronic "Character Generator," can be back projected an assortment of images. There could be the station announcer giving information about trains alongside the actual details of times of departure. Or this flow of information could be interspersed with advertisements. The new advertising medium was on show this week, from British Transport Advertising, and can offer a dominant position for the display of live TV advertisements or any other commercials.

## ARRIVALS

FROM  
0830 LIVERPOOL  
0946 BIRMINGHAM  
0825 MANCHESTER  
0948 WOLVERHAMPTON  
1118 BLETCHLEY  
1000 MANCHESTER  
1133 COVENTRY



ARRIVALS  
FROM  
0830 LIVERPOOL  
0946 BIRMINGHAM  
0825 MANCHESTER  
0948 WOLVERHAMPTON  
1118 BLETCHLEY  
1000 MANCHESTER  
1133 COVENTRY

## Get information from one source

BY DAVID MILN, GARLAND COMPTON

AS A LITTLE business exercise, add up all the departments in your organisation that supply you with information. The number is quite staggering. Most organisations obtain their information partly from the sales total and depot region, was sent from head office by the market research department to no less than seven depots for further analysis as the original computer data was not in the format they required. In another company, four separate offices in three different departments all prepared basic data for export markets.

To pare down such systems, to prevent the overlaps, the duplication, management needs to take a step back from the organisation, to determine its priorities and the nature of the business. The MI system can then be designed to match the organisation and to operate across departmental boundaries to obtain maximum productivity. The actual saving in time and cost will vary according to the Company.

In one company, Electric Power Storage, the system was set up in six months when the marketing department was reorganised, and took about 18 months to work itself into the company. We cut staff costs by 40 per cent and were able to establish a more comprehensive information system with a slightly smaller budget than that which had previously been spent on information activities. Any company should examine

its system. Companies in the £5-40 million turnover bracket should seriously consider the viability of establishing an MI department which could emerge out of the planning, financial, marketing or technical department, as long as it keeps a balanced view of all information needs.

So designed, the system must provide consistent information for short- and long-term decisions, must cover internal and external data comprehensively, must provide understanding as well as quantification, must highlight the salient factors controlling the companies success, and must, above all, be concise and consistent.

British Posters, the new selling organisation formed to represent the three largest poster companies in the U.K., has appointed KMP to handle a major sales promotion drive due to start "within a matter of weeks."

British Posters, financed by Mills and Allen, London and Provincial Poster Group and More O'Ferrall, will effectively control nearly 75 per cent of all poster sites in the U.K. The advertising budget is expected to be about £50,000 but KMP will be paid on a fee basis.

Armalux Flooring, a subsidiary of ICI, is Wilson Advertising's latest account.

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## Golden Hours from Pye

By Sheila Black  
"A NEW concept is what we have here, and that's not so easy with discs." Louis Benjamin, managing director of Pye Records (which is, in turn, part of the "ATV group"), was talking about the new "Golden Hour" LPs, based on an idea which came to him on the train to Liverpool. "It came to me that too many people are really being done," he said. "When LPs started, they were little money about, they were expensive, and nobody dared go below 50 minutes running time, both sides. Now—I won't mention the name—I know of a disc that runs 17 minutes and it's not particularly an error."

He got a sharp reply from the technicians on the "it can't be done basis" before they did it. On a standard-sized LP disc, there are now 60 minutes from on-style to off-style time. You get 20 to 22 numbers as compared with the usual 12 in Britain and 10 in the U.S.

The technicians did not spare Benjamin the inevitable jokes about trying to "slow down" Chaikovsky and the Kinks, then asked for a new £25,000 cutting lathe. The deep, thin, closely packed grooves have produced the Golden Hour brand.

Golden Hour will feature releases of old favourites as well as current hits sung by second-name artists. That can save a lot of production spending. It is average for studio costs to be £7,000 with modern artists, even for a solo ballad singer. Groups cost more. Indeed, the temperamental, way-out groups can run up bills of £25,000 for studio time.

Caution or no caution, Benjamin is very much the entrepreneur who nevertheless regards Golden Hour as a bit of a gamble in an era when records are doing badly. His aim was to achieve three things. To impress and stimulate his own sales staff—that he has done. To encourage dealers—since they have reached half the target in a third of the time, that has also been achieved. The entrepreneurial traits show up in meetings. "They gave me an advertising budget of a certain percentage of forecast sales," said Benjamin. "I told them I hadn't estimated sales like that but I knew what I thought the launch was worth in advertising from the feel of the business. It turned out, when they got the pundits on to forecasting, that their figure was exactly the same as mine. So we are spending £25,000."

PURVEYORS OF PASTE TO THEIR GRACES THE PRIMATES OF ALL ENGLAND AND ENGLAND  
PURVEYORS OF FISH PASTE TO HIS EMINENCE THE CARDINAL ARCHBISHOP OF WESTMINSTER  
LICENSED BY THE LONDON BETH DIN (CRAB & SHRIMP VARIETIES EXCEPTED).

## It pays to invest with Southern

Not only is the Southerner affluent, (His average earnings are 5% above the national average!) he is also very aware of the good things in life.

And he can afford them! Southern Television holds the key to this thriving market.

Fifth biggest in the country. To reach these "ready-to-buy" people (and there are nearly 5 million of them!) you'll need to know a lot about them.

Economic, geographic and household data. Purchasing habits, brand preferences and all the other marketing and demographic characteristics to provide you with a complete picture of the Southerner.

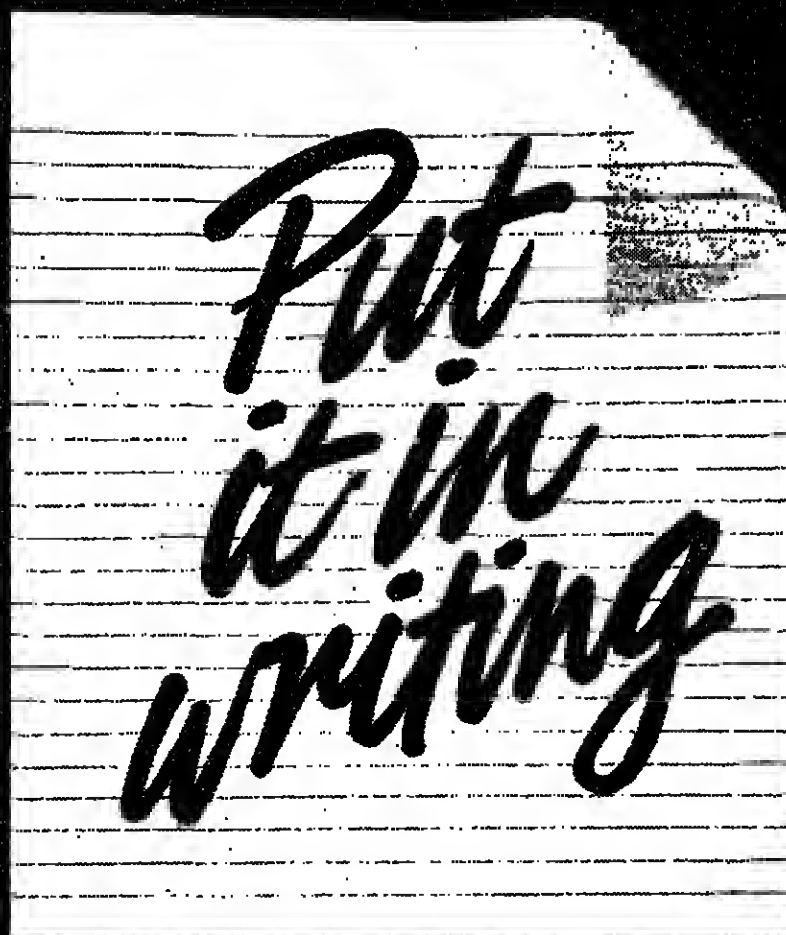
All these facts of proven value are available from Southern Television. We can offer you a Marketing Service.

A Service that can help you to build a bigger share of a rapidly expanding market.

Southern.

**SOUTHERN**  
INDEPENDENT TELEVISION

For further information call John Meil, Sales Director, Southern Television, Tel: 01-834 4404  
Southern Television Limited, Glen House, Stag Place, London SW1



Your prospects cannot turn back and refer to your television advertising message.

If you show a 30-second commercial, that's the entire life of your advertisement, and if you give viewers a second chance to look at it, that will nearly double your costs.

An advertisement in the Daily Mirror can be pondered over as long as the reader wants. He can turn back to the page and look at it again or keep it for reference. And this additional exposure won't cost an extra penny.

You might also find it a good idea to include a coupon. That's something else you can't do in a TV commercial.

So, as well as putting your message over on the box, put it in writing.

In the Daily Mirror, the daily with the biggest circulation by far and a total of 13,925,000 readers.

Don't leave it to television to do the whole job.

For more facts about the Daily Mirror's pulling power, ring Derek Rogers, Advertising Sales Controller, at 01-822 3111.

DAILY  
**Mirror**

There can only be one leader

Source NRS  
Jul. 1970-Jun. 1971







# Ritual battle in the Bogside

'Apart from the futility of it all, one is struck with a sense of unreality. After the shot, the Army withdrew, the crowds dispersed, and everyone had lunch.' John Graham, Belfast, Wednesday

THE BOGSIDE on Tuesday was that gas canisters had been fired into the street. One British soldier was killed and another was seriously injured. He would probably have died too if someone had not stashed the blood pouring out of a hole in his neck, and he may die yet. Twenty-one British soldiers have been killed in Northern Ireland, and more than 100 wounded. This year alone, and if there is one thing certain in this uncertainty, it is that more soldiers will be killed. There is simply no way to prevent it.

## Steady attack

The Army post in Bogside had been under more or less steady attack for two days by the time I got there on Tuesday morning. Crowds of Bogsideers, mostly under 30, with both sexes well represented and a great many of them children, had spent the days and the nights till just before dawn throwing stones, bricks or bottles or whatever came to hand at the camp of the armed cars which were periodically saluted by the Army with rubber bullets and gas. There had been occasional sniper fire, but no casualties.

## No sorrow

It was 1 o'clock and the battle was a desultory affair. I was standing a little way up the hillside with a crowd of editors who were not doing anything in particular, but wishing death on the soldiers. I had attached myself to a man who would not tell me his name, and I asked him to explain it all to me. "Well, there's the Saracens going around trying to kill people," he said. I asked him why he was in the Bogside. He did not know. "To him they were just a pack of cannibals."

It was ten past one and nearly time for lunch. Suddenly there was a single rifle shot, the only one that morning from one of the houses in the estate, and Sergeant Black was hit in the neck. One shot, one victim. The kids scattered like lightning, the spaces between the camp and the estate were empty. "That's one more away," said a pleased voice near me. Several others had field glasses trained on the Saracens, which manoeuvred so that the wounded soldier could be laid down and driven off to hospital. A cheer went up from the kids. No horror, no sorrow, just an anonymous satisfaction. The armed car that took Sergeant Black to hospital was pelted with stones.

My man led me away down the hill into Lower Bogside, where the Army and the police don't go. On the way he pointed out to me the spots where the baby was killed and where the 14-year-old girl had died recently. There was a black flag outside the house. I asked him how easy it was to get guns. "I don't know who I am talking to," he said. I satisfied him, and he told me that all you have to do is go up over the top of the Bogside, across a few fields, and you are in the "Free State."

## Least risk

I spoke to some Army officers last night. Several of them believe there is definitely one marksman, and they credit him with at least four of the 18 soldiers killed before last Tuesday. There may indeed be more than one, and the wonder is that so few soldiers have been killed. "They dictate the terms," said one officer to me, "they decide what time of day or night they'll shoot, and

of course they operate out of the housing estates. That way there's least risk to the terrorist."

This particular terrorism not only takes credit for its actions, but may be beginning to advertise itself. To-day a statement was issued, supposedly from the Londonderry command of the IRA, saying that it had been responsible for the shootings on Tuesday. An active service unit operating in the Bogside had killed Sgt. Carroll for "brutality" on young children on their way to school by the British Army.

It may not be entirely coincidental that both men hit in the Bogside that day were sergeants. Senior officers are considering the theory that the IRA has taken to declaring war on individual soldiers instead of relying all the time on indiscriminate attack. The Commanding Officer of the sappers in the Bogside—both the men on Tuesday were sappers—said: "I'm pretty sure we now have one, two, three, professional gunmen in 'Derry'."

If this theory is correct, if the IRA has indeed adopted a new tactic, it is ominous for the British troops. One piece of evidence for the theory is that some of the soldiers killed or wounded in the last few days have been hit in the head or neck, like Sgt. Black, by a single shot.

The gunmen are using high-velocity rifles, and at least one with telescopic sights has been seen in the Bogside. Such a tactic, being a departure from an intensification of what was going on before, would also

be in line with classical terrorism theory.

In the political sphere its manifestation would be selective assassination, and without wishing to exaggerate the awfulness of the situation as it is already, it must be said that people here are in a sense only waiting for the first such assassinations to occur. In most people's minds it is simply a question of when, not whether.

## Sten guns

The Army has its own marks-men, of course, and they did surprise two gunmen in Belfast recently by the use of the sniper-spotter, night lights on their rifles. These are image intensifying devices which enable you to detect movement and shapes at night up to several hundred yards away. They reduce the sniper's nocturnal immunity, but they cannot eliminate it. Then you have the arms searches—a dangerous enough business in themselves and, though essential, of only marginal usefulness. The Army had an arms search in West Belfast on Tuesday night; all they found was three pistols and about 80 rounds of ammunition.

Urban terrorism is nothing new to an Army which has experienced Aden and Cyprus, but as in those emergencies the present situation looks intractable and hopeless. There is no question that the IRA has stepped up its campaign. The increasing frequency of attacks on soldiers is all the proof needed. There are daily attacks now with automatic weapons—

rifles certainly, and probably

As the Army's job becomes more difficult as the terrorists intensify their campaign in the towns and in the countryside, so the political pressure mounts for a quick solution. In the minds of many in the Protestant majority the quick solution is the creation of a third force, most simply done by mobilising the abolished B Specials, under whatever name.

Mr. Feulker only this week had to quell some speculation along these lines inside his own Cabinet. He and his Government are agreed that recruitment for the Ulster Defence Regiment must be stepped up, and fast. Certainly, if the situation on the ground goes on getting worse as fast as it has done in the last month, political discussions may become irrelevant.



## Labour News

### Lucas and Leyland strikers to return

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

TWO damaging strikes in the motor industry ended yesterday after the decision to resume working by strikers at Lucas and Leyland's plant at Brixton, Surrey, and at Leyland's plant at Brixton, Surrey.

Some 300 Lucas maintenance engineers on strike for nearly a month yesterday accepted their employers' offer of a 6% pay rise and a holiday of 10 days. This compares with an original offer of £10.

More than 13,000 other Lucas workers laid off from nine factories are being recalled immediately. Because of a shortage of equipment has been causing British Leyland and Vauxhall to stockpile some models until new supplies arrive, and others have had to restrict production schedules to match dwindling stocks. It had been expected that they would make an all-out effort to maintain production last week, a holiday week for plant engineering concerns.

But all Mr. Ron March, Lucas regional industrial relations officer, would say was that the strikers would be looked at when a men returned.

problems if there is no continuation of production. Ford, Vauxhall and other manufacturers outside the Midlands will be hard pressed to maintain output for next week if a working week for them is a prolongation of the problem. Lucas will intensify its efforts to maintain production. Triumph, hurriedly-called to the aid of the Midlands, will be asked to make up for the loss of the 400 Coventry engine makers whose strike has lured production there and at Vauxhall Motors, which recently postponed short-time work in that was due to come into operation at its major plants next week, yesterday met the manual unions to discuss the issue.

### London docks employers offer 6%—with warning

BY OUR LABOUR REPORTER

LONDON. PORT employers offered a 6% pay rise to 10,500 dockers yesterday, but coupled it with a warning that the dockers' union threat to cancel the existing agreement was a "serious" one. The offer, however, was a 6% rise in the cost of living, but an indication of the size of the increase that dockworkers' union is likely to get a higher increase.

## Life companies seek Reserve Pension Scheme changes

BY MICHAEL BLANDEN

THE LIFE assurance companies are to press the Government for amendments to its proposed Reserve Pension Scheme to overcome the "anomalies" which are expected to arise as a result of the plans announced by Sir Keith Joseph on Tuesday.

The Life Offices' Association yesterday welcomed the general intention of the Government's new plan to encourage the development of private occupational pension schemes. But it foresaw that there may be problems in running alongside the State's Reserve Scheme.

Mr. Gordon Bayley, chairman of the Association's national pensions committee, yesterday described the difficulties which were likely to arise. The Government's reserve scheme is designed to provide for the substantial number of employees—estimated at some 7m. initially—who will not be covered by private earnings-related pension schemes under the new regime, due to be introduced in 1975.

It has been designed to deal with the problem of a "floating" population of members, who may only be in the scheme for short periods. The benefits offered are therefore strictly related to the contributions made for each employee. This provides a sharp contrast with the best types of private schemes, where the contribution made by the employer is substantially used in support of pensions for the older members of the scheme.

The result is that the benefits provided by the State reserve scheme are much smaller at older ages, and larger at younger ages, than those normally offered by private schemes.

## Builders upset by Government stand on firm price tendering

BY MICHAEL CASSELL

THE CONSTRUCTION industry yesterday launched a fresh attack on the Government following another refusal to amend its firm price tendering policy.

Mr. Julian Amery, Minister for Housing and Construction, has told the National Consultative Council of the Building and Civil Engineering Industries that he does not intend to change the policy, which instructs any builder wishing to undertake public works projects to provide a definite cost quotation on any contract expected to last for up to two years.

The builders have taken every opportunity in the last 12 months to protest about the firm price policy to Mr. Amery. They claim the scheme is simply unworkable in view of the present rate of inflation, while the Government has repeatedly claimed that the policy is essentially disinflationary and that there has been no evidence of the construction industry suffering because of the pricing regulations now in force.

## Consultant remanded on bail

MR. ADRIAN JACOBS, aged 42, financial consultant, appeared at Marlborough Street Magistrates' Court, London, yesterday on two charges of taking part in the management of a company while an undischarged bankrupt.

He was charged with taking part in the management of Millwick Ltd. on various dates between January 1 and August 13, 1966, and there was a similar charge in relation to a second company, Strike Records.

No mention was made in the charges of the address of the companies concerned or of the nature of the business carried out by them.

Mr. Jacobs, of Clifton Hill, St. John's Wood, London, was remanded until October 12 in his own recognisance of £10 and one surety of £5,000 or two of £2,500.

Mr. Jacobs became a well-known figure in the City in his early thirties. He started out as an accountant and by the age of 31 was head of Hannans Land Company. In 1964 he was in the news as the man behind the takeover of the Grahamstown Gas and Coke Company.

His public examination in bankruptcy took place in London in 1955. He attributed his failure to suspension of dealings in shares of a public gas company and in other shares, to the failure of a stockbroking firm and to the effect of national publicity on his credit standing.

## Barclays DCO in Hamburg

We are celebrating 50 years in Hamburg. We have moved into bigger and better offices at Neue Burg 1. And if you're in Hamburg for British Trade Week, we'd be glad to welcome you there.

We can offer you, as well as a full banking service, a store of knowledge and experience of German markets and suppliers that you'll find useful, whatever field of business you're in.

So drop in; if you'd like to fix an appointment before you leave, call Robert Fernie of our Business Development and International Division, on 01-626 5656.

And if you're going to be in Frankfurt, there's a Barclays DCO branch there, too, offering you the same welcome, the same facilities and the same valuable expertise.

## BARCLAYS DCO

**Hamburg**  
Neue Burg 1  
2000 Hamburg 11  
(Postfach 11 22 09)  
Phone: 362781  
Manager: K H Phillips

**Frankfurt**  
Rossmarkt 23  
Frankfurt-am-Main  
(Postfach 3907)  
Phone: 287922  
Manager: G J Charleston

## BSC clerks' 1-day strike

CLERICAL workers plan to stage an unofficial 24-hour stoppage, their action coincides with Lord Melchett's visit to the Ebbw Vale plant tomorrow.

Other plants affected are the Trostre in Llanelli and Velindre near Swansea. Together the three plants produce almost all of Britain's tinplate. Group office workers at Swansea are also involved.



## RTZ net down £3.5m. midway

**Tuesday 21st to Friday 24th - 10.00 to 5.00**















# OESTERREICHISCH-ALPINE MONTANGESELLSCHAFT

VIENNA, AUSTRIA  
HIGHER DIVIDEND FOR 1970



The Annual General Meeting of OESTERREICHISCH-ALPINE MONTANGESELLSCHAFT was held in Vienna on August 8, 1971, and the following are details from the report presented by the Board of Management.

**Review**  
The growth of the world steel industry slowed down noticeably during the year. Conditions in Western Europe were rather more stable, a marked feature being the time-lag of some 6 months with which the Austrian economy followed developments in the EEC area and the Federal Republic of Germany respectively. This also applied to steel in 1970, where the steel boom slackened in the Federal Republic towards the middle of the year. In Austria the same development only began to make itself felt towards the end of the year.

There was no sudden economic setback, however, since stocks had been kept at a reasonable level even during the boom period. With some demand remaining high and capacity fully utilised, there was only a limited scope for an increase in output during the year and exports were cut in order to increase home deliveries of rolled steel by 14.2 per cent. In the circumstances it is safe to say that the past year was one of the best for the Austrian steel industry, and accordingly a very satisfactory and successful one for the Company. Nevertheless the slackening of economic activity noticeable at the turn of the year gained momentum during the first few months of 1971. In view of the severe increases in costs which have also had to be faced in the new year, considerable effort will be required to solve the problems facing the Company.

**Production**  
Output of iron ore at the company's Eisenerz Radmer and Hüttenberg mines at 3,996,700 tons was 0.37 per cent. up on the previous year, a new peak since 1948. Sales of iron ore at 3,896,697 tons were 0.17 per cent. up on the previous year, whilst pig iron output dropped by 4.56% to 882,531 tons in 1970. Alpine's output of crude steel in 1970 totalled 1,220,980 tons and thus showed an increase of 3.4% per cent. over the previous year.

**Research and Development**  
The large number of investigations carried out in this section in the Company's works and experimental installations aimed almost exclusively at improving the profitability of the production processes used, refining operational techniques as well as bringing quality and finish into line with the steadily increasing requirements of manufacturers and the market. The investigations into the influence

of blasting conditions with different nozzles at the LD steel-works, initiated in 1969, continued systematically during the year.

Development work on new products led amongst other things to the introduction of a further particularly suitable heavy-duty rail material, and production was begun on weather-resisting steels with mechanical properties specially suited to Austrian requirements.

**Investments**  
Investment expenditure totalled Sch.466.7m. in 1970 compared with Sch. 235.3 m. in 1969, with 35.5 per cent. of the total going to the main works at Donaustadt. 29.6 per cent. to Krieglach and 20 per cent. to Eisenerz.

A considerable amount of equipment, including four large excavators, was purchased for the Steirische Erberg mine, and the driving of new levels continued at Hüttenberg. At Donaustadt, trials began of a new 6000 Nm<sup>3</sup>/h oxygen plant, and blast furnace No. 2 was newly lined during the year. At Krieglach the pipe-straightening reducing mill, one of the most up-to-date plants of its kind, was taken into service. Trials have also started of the new pipe galvanising plant.

**Turnover**  
With a gross turnover of Sch.8,590m. the ALPINE Group

achieved a new record figure of 17.3 per cent. or Sch.1,260m. above the comparable figures of 1969. The parent company's gross earnings rose by around Sch.660 m. to Sch.4,790m., thus maintaining the 16 per cent. growth rate of 1969.

Turnover of commercial rolled steel products rose by 16.3 per cent., and special steels improved by about 24.7 per cent. Gross earnings from finished products increased by 12.9 per cent. during the year. Commercial rolled steel products accounted for 54.5 per cent. of the Group's total turnover, special steels for 18.8 per cent., and finished goods for 21.9 per cent.

The parent company's export share of the turnover as a whole at 26.3 per cent. showed a further slight decrease which ran counter to the trend over the last few years. EFTA countries took 35.2 per cent. of total exports, EEC countries 27.4 per cent., COMECON countries 25.6 per cent., and other countries 11.8 per cent.

**Personnel**  
The Company's labour force dropped slightly compared with 1969 and numbered 15,779 people at the end of the year (made up of 12,852 workers and 2,897 employees).

In spite of the almost stationary size of the labour force, labour costs again showed a steep

rise in line with the trend of the previous years, from Sch.1,128m. in 1969 to Sch.1,240m. in 1970. Voluntary social security expenditure also rose from Sch.50.5m. to Sch.55.3m., raising total labour costs for the year by 10.4 per cent. to Sch.1,599m.

**Profit and Dividend**  
Net profit for the year amounted to Sch.123,567,850.70 which added to the balance of Sch.1,792,308.41 brought forward from the previous year, produced a total of Sch.125,360,159.11 available for distribution. It is accordingly proposed to distribute a dividend of 4 per cent., equivalent to Sch.40m., as well as a bonus of 8 per cent., equivalent to Sch.30m., on the Company share capital of Sch.1,000m., and to carry forward the resulting balance of Sch.5,360,159.11.

The report, the accounts, and the proposals put forward by the Board were adopted.

**Supervisory Board (Aufsichtsrat)**  
Dr. Wilhelm Rosenzweig, Chairman; Dr. Rupert Roth, Deputy Chairman; and 19 members.

**Board of Management (Vorstand)**  
Dr. Josef Fitzinger, Chairman; Prof. Dr. Dipl.-Ing. Ottokar Fabricius, Deputy Chairman; Dipl.-Ing. Werner Pichler; Dr. Josef Steffelsch.

BALANCE SHEET AT DECEMBER 31, 1970			
LIABILITIES	Sch.	Sch.	ASSETS
I. Share Capital .....		1,000,000,000.00	I. Fixed Assets
II. Statutory and Free Reserves .....		1,101,963,597.81	Miner. Building and Plant
III. Replacement Reserve (before tax) .....		5,614,705.00	Trade Investments
IV. Reserves for Terminal Payments (Article 6b, Income Tax Law) .....		119,899,186.00	Advance Payment for Plant
V. Reserves .....		486,920,285.00	Stock
VI. Sundry Creditors .....	310,820,000.00		II. Current Assets
12-Month-Debt-Loan .....			Stocks
Advance Payments Received .....		21,683,005.71	Advance Payments Made
Goods and Services Rendered .....	354,372,106.57		Debtors
Associated Companies .....	75,231,894.81		and Associated Companies) ...
Bills of Exchange .....	24,388,778.00		Bills of Exchange
Credit Institutions .....	820,114,400.00		Liquid Assets
Miscellaneous .....	486,920,285.00		Sundry Debtors
VII. Net Profit .....	1,792,308.41		III. Transitory Items
Carried forward from 1969 .....	123,567,850.70		
Profit for 1970 .....		123,567,850.70	
		<u>5,110,292,127.68</u>	
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING DECEMBER 31, 1970			
EXPENDITURE	Sch.	Sch.	RECEIPTS
Wages and Salaries .....		1,249,431,405.90	Profit Brought Forward from 1970
Social Security Provision .....		231,152,015.22	
Depreciation .....		302,915,400.03	Annual Surplus (after settlement with Associated Companies)
Interest .....		137,633,521.78	
Subscriptions to Statutory Trade Associations .....		255,391,892.94	
Extraordinary Expenditure .....		10,379,590.90	Income from Trade Investments
Contribution to Reserve .....		73,675,356.57	
Net Profit .....	1,792,308.41	22,938,300.00	Interest from Savings
Carried forward from 1969 .....			Extraordinary Receipts
Profit for 1970 .....		123,567,850.70	
		<u>2,324,901,523.44</u>	
			<u>2,524,901,523.44</u>

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING DECEMBER 31, 1970

EXPENDITURE	Sch.	Sch.	RECEIPTS	Sch.
Wages and Salaries	1,249,431,405.89		Profit Brought Forward from 1969	1,792,308.41
Social Security Provision	231,192,015.22		Profit for 1969	1,792,308.41
Depreciation	303,915,492.05		Annual Surplus (after settlement with Associated Companies)	2,438,596,338.51
Interest	137,633,021.76		Income from Trade Investments	1,776,611.39
Taxes	355,381,952.94		Income from Liquid Assets	54,897,675.70
Solecisms	10,570,800.59		Interest from Financial Institutions	45,418,412.38
Trade Associations	73,875,355.27		Extraordinary Receipts	
Extraordinary Expenditure	26,945,301.00			
Appropriation to Reserves				
Net Profit	1,792,308.41			
Carried forward from 1969	123,567,850.70			
Profit for 1970	123,567,850.70			
	123,567,850.70			3,524,901,695.44

## GROUP OF TEN MEETING

# Text of Italian proposals

BY IAN DAVIDSON

THE ITALIAN proposals for a reform of the international monetary system put forward by the Finance Minister, Sig. Ferrarini-Gradi, at yesterday's meeting of the Group of Ten in London, are expected to play a central role in the attempt to resolve the present crisis.

The broad lines of the proposals correspond to the position adopted by the Six at the meeting of this week, and have been privately endorsed by the U.K. The major part of the Italian text is printed below.

"Over the years the American economy has undergone an important deterioration of its competitiveness."

"We are therefore in the presence of a situation of fundamental disequilibrium which affects, even if to a lesser extent, the economies of other important industrial countries," the document stated.

"A differential realignment of parties is therefore the principal remedy, and this must be the contribution of other non-monetary actions."

"A quantitative evaluation of the selective realignment of parties should take account not only of the current balance of payments situation of each country, typically corrected for all chapter headings, visible and invisible, but also of the trend in its unit costs and their influence on export prices."

"In the realignment of exchange rates, it is evident that surplus countries as well as deficit countries must share in the burdens of adjustment: in other words, the realignment should include the currencies of all the countries concerned."

"The average weighted price of gold, expressed in terms of the currencies of the countries participating in the operation, could thus remain unchanged and thus leave unchanged this element in the volume of world liquidity."

"Modifications of the gold price in terms of individual currencies would only represent a by-product of the realignment, which would in no way prejudice the role of gold in the new international monetary system."

Conditions for the success of the negotiation on new monetary parties.

"The American surtax and the tax incentives for domestic investment constitute such an element of distortion in the formation of market exchange rates that the latter lose all meaning as indicators."

"A serious negotiation on the revision of parties cannot therefore be effectively started without the removal of these measures."

"In our opinion, the fundamental principles of the reform of the international monetary system should be agreed before new parties are defined."

"Among these principles we attach much importance to the following points:

1—The international monetary system should be based on fixed parties, which should be changed as soon as it is clear that they are no longer realistic. Short-term capital movements should be contained by a limited widening of the margins of fluctuation, as well as by other means."

Continued from Page 1

## Protest at U.S. plan

other countries, since the dollar is the centre of the monetary system and is fixed by Congress in terms of gold.

The Italian proposals would represent the most sweeping change in the international monetary system since Bretton Woods. They include the removal of the dollar from the centre of the international monetary system both as a key currency and as a reserve medium, and its gradual replacement by Special Drawing Rights in the International Monetary Fund for both these purposes.

The reformed system would still be based on fixed exchange rates, but with wider margins to help control short-term capital flows, and prompt, smaller and more frequent parity changes. A prerequisite, however, would be the removal of the U.S. import surcharge and a differential realignment of exchange rates by both surplus and deficit countries.

The role of gold would remain unchanged but the use of SDRs for the definition of parties would make parity changes easier.

A second basic problem to be sorted out is the wide discrepancy between the sort of realignment being envisaged by the Europeans and the U.S.

It is understood that the dollar against the weighted average of other currencies would be

no more than 5 per cent. if figures tentatively agreed by the Six Finance Ministers on Monday were adopted.

These are believed to allow for a 6 per cent. revaluation of the German mark against the French and Italian currencies (by comparison with the pre-Bretton Woods position in May), and a 3 per cent. revaluation of the Benelux currencies. In addition, the EEC Ministers provisionally agreed to widening margins to 1½ per cent. against the dollar, giving a total band of 3 per cent.

Such figures look extremely modest against the demands being made by the Americans, which would amount to an effective devaluation of the dollar against other currencies of well over 10 per cent.

## Modest

The figure being assumed by both the Americans and the Europeans for a revaluation of the Japanese yen is above 10 per cent. The main point of the speech of the Japanese Finance Minister, Mr. M. Mizuta, yesterday was to emphasise the special problems of the Japanese economy.

Afterwards, Mr. Connally made an obvious reference to the Japanese when he said that the U.S. surcharge would only reduce its imports by \$1,500m. to \$2,000m., and that "some countries" could absorb this by themselves.

## Sea-bed power unit on show

A BRITISH INVENTION which could transform the drilling and maintenance of offshore oil wells and the exploitation of seabed resources, was demonstrated at Shoreham, Sussex, yesterday to possible foreign buyers.

They saw a diesel engine in a pressurised vessel, lowered by crane beneath the surface of the sea. As it was submerged it switched automatically from using ordinary air to burn diesel fuel to using its own exhaust gas, thus taking place with a self-contained store of oxygen.

The "under-water power unit" claimed to be the first of its type has been developed by Ricardo and Co., Engineers (1927) and a contract awarded to the National Research Development Corporation.

In its first form, using a standard Perkins diesel engine, it can develop 28 h.p. and drive to 60 feet.

Production costs are still uncertain, but to replace the prototype, according to Ricardo, engineering would cost £4,000, £5,000.

## RECORD FOREIGN VISITORS TO LAUNDRY SHOW

More than 6,000 overseas visitors have already seen the new International Laundry Dry Cleaning and Allied Trades Exhibition at Olympia, London. This is above the 2,400 total of foreign visitors who saw the National Laundry exhibition held in London in 1966.

A spokesman for the organising Industrial and Trade Fairs, said: "These visitors have come from many countries, including U.S., Japan, Europe, Africa, and Australia. The exhibition closes on Saturday, is sponsored by the Society of Laundry Manufacturers and Allied Trades."

## INTERIM STATEMENTS

### Bifurcated Engineering Limited

INTERIM REPORT For the half-year ended 30th June, 1971

The unaudited results of Bifurcated Engineering Limited and its subsidiaries, for the half-year to 30th June, 1971, together with comparative figures, are given below. The Directors have declared an interim dividend for 1971 of 125p per share (12.5% of 1970) payable on the 14th October, 1971, to shareholders registered at a close of business on Monday, 20th September, 1971.

	Half Year Ended	Year Ended
	30.6.71	30.6.70
Group Turnover	2,263,008	2,268,000
Group Profit before Taxation	252,000	295,000
after charging:		
Depreciation	125,000	122,000
Bank Interest	26,000	13,000
and after crediting:		
Investment Income	5,000	5,000
Taxation (Estimated)	101,000	125,000
Net Profit	151,000	170,000

1. 500,000 ordinary 25p shares were issued to Astra Securities Limited on the 30th July 1971 as consideration for the purchase of Cleveland Rivets and Tools Limited as from 1st July 1971. The half-yearly results include two months figures for Cleveland.

2. Corporation tax has been provided at 40% (1970—42%).

The figures shown for the six months ending in June are result of a slight improvement in demand during that period compared with the previous six months.

In spite of measures taken by the Chancellor of the Exchequer in his Budget last April and later in July to inflate the economy there has not yet been any dramatic upturn in orders received. Nevertheless, provided that the current demand for the Group products is maintained, and by exercising a rigid control of expenses, I am hopeful that we shall at least produce results the year comparable to those for 1970.

J. M. A. Paterson, Chairman

## BODYCOTE HOLDINGS LIMITED

The profit of the Group for the 26 weeks ended 17th July, subject to audit was £67,706 as set out below—

52 weeks ended	26 weeks ended	26 weeks ended
16th Jan. 1971	17th July 1971	18th July 1970
£	£	£
2,894,634	1,797,926	985,490
443,149	117,624	117,481
3,337,803	2,009,550	1,102,971
280,472	159,680	77,511
3,337	31,635	15,285
5,737	296	4,644
16,689	16,467	3,771
236,183	111,874	63,116
97,214	44,750	28,421
138,969	67,124	34,741
—	582	—
138,969	67,706	34,741

NOTE: The figures for the current period represent the Group now constituted.

Your Directors consider these results to be satisfactory as compared to report that the reorganisation, so far, of 5 Blankets (Winey) Ltd. has resulted in a small contribution to profits.

Activity in all Divisions, continues at a high level and absence of onerous circumstances, it is expected that the year's results should not be less than £300,000 as against the £1.1 envisaged in my Statement with the Annual Accounts.

NORMAN F. PETTIT, Chairman

## 50,000 SUFFERERS

of progressively paralyzing Multiple Sclerosis is U.K. alone. The cause and cure of this terrible disease is unknown. What is known is that it usually strikes between the ages of 20 and 40 and that 2 out of 3 sufferers are women. The Multiple Sclerosis Society relies heavily on voluntary donations, and the care and welfare of its members. Please help.

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## Crosland wants Labour review of homes policy

MR. ANTHONY CROSLAND, Labour spokesman on the environment, yesterday called for a radical review of the party's housing policy including the extent of tax relief on mortgages and subsidies for council houses.

In a Fabian Society pamphlet, Mr. Crosland says that housing is still the country's greatest social problem and will require ten years of intensified effort to solve it.

The public sector, he suggests, would be required to provide housing for more varied social groups, strengthening the case for the concentration of Government aid on generous rent rebates and on areas with the greatest problems.

## Tax relief

But such discrimination would have to be balanced by changes in the policy of tax relief for owner-occupiers, says Mr. Crosland.

Labour's policy-makers should consider whether relief should be restricted to mortgages of £5,000 or £8,000 according to the region, or to mortgages on new houses only, he says. Alternatively, the income tax allowance could be replaced by a standard rate of subsidy, or a mortgage repayment allowance similar to the private rent allowance.

Mr. Crosland welcomes the new rent allowance in the private sector but says that it is "quite wrong" that after 1976, a fifth of the cost should be borne by the ratepayers. He adds: "It is a scandal that the furnished tenants are to be excluded."

Condemning the Conservative "fair rent" system for the public sector as "wildly inflationary", Mr. Crosland predicts that the rebate scheme will have to include those on average earnings and will require a "large, bureaucratic apparatus, financed by local government, to administer it."

By spreading the cost of current housing over their entire stock, local authorities could operate without making profits or losses on their housing.

Without setting any housing building target, Mr. Crosland says it is clear that a higher proportion of gross national product should be devoted to raising output above the de-



Mr. Anthony Crosland

pressed levels of the last three years.

He suggests the establishment of metropolitan housing agencies to plan the housing strategy for London and the six new metropolitan areas.

But, while recommending that the possibility of a new type of development agency to administer regional developments should be examined, Mr. Crosland says that the party should not commit itself to creating a national Housing Action Corporation—proposed by a Labour study group in 1969 to help and stimulate local housing programmes—until the effects of local government reorganisation had been assessed.

## Towards a Labour Housing Policy, Fabian Society, 20p.

## LARGE SCOTTISH ESTATES TO BE SOLD

Several large estates have come on the market in Scotland. The Earl of Eddo offers Tarves, Aberdeenshire, which in three lots provides a large agricultural investment in the north of Scotland. It is likely to realise over £300,000.

Sir Charles Cooper is to dispose of Challoch, in the south for which over £150,000 is expected. In Peebleshire, the 3,780-acre sporting estate of Stobo is to be sold on behalf of the Countess of Dysart and further down the Tweed, Monksford, near St. Boswells, is for sale.

All of these securities having been sold, this advertisement appears as a matter of record only.



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# Hamburg

Financial Times Survey

## An all-purpose city

by MALCOLM RUTHERFORD

Hamburg is a civilised city three years, the Hamburgers and their neighbours have begun to think much more in terms of a policy for the region. It would be too much to say that a North German-Federalism with Hamburg as capital, is in the making, although a Federal Commission is currently investigating the idea of a fundamental redrawing of the Länder boundaries. Yet even if existing boundaries in North Germany remain, it seems certain that regional co-operation will grow.

At present, there are four Littoral Länder, each with diver-

gent or competing interests: Hamburg itself, which covers less than 300 square miles and is 65 miles from the mouth of the Elbe; the rival city-state of Bremen (including Bremerhaven) on the Weser; Lower Saxony, the largest of the German Länder after Bavaria, which sprawls all the way to the Elbe; Hamburg's natural biotopland is East Germany and Czechoslovakia, running, if the Danube-Elbe Canal is completed, right down to the Black Sea. Its trade with these countries, though now rapidly growing, was decimated by the results of the war.

Nor was Hamburg much helped by the subsequent economic division of Western Europe into EFTA and the EEC. Its most natural links with the West are with Scandinavia, Britain and across the Atlantic to the U.S. Seaport from the Elbe,

INDUSTRIAL TURNOVER, 1969		
	Turnover, fm.	Employees
Oil refining .....	353.7	9,533
Electrical engineering .....	221.5	25,517
Chemicals .....	175.7	17,391
Engineering .....	147.7	29,866
Coffee and tea .....	105.3	2,465
Shipbuilding .....	91.8	17,703
Non-ferrous metals .....	89.3	2,915

being felt. But to see how and why an idea so obvious has not been put into practice before, it is worth putting this part of Germany into context.

The postwar division of Europe has been particularly cruel to Hamburg, and also to parts of Lower Saxony, where the *raison d'être* of towns like Brunswick or Salzgitter was that they were in the centre of Central Europe, able to trade both ways. As a great port on the Elbe, Hamburg's natural biotopland is East Germany and Czechoslovakia, running, if the Danube-Elbe Canal is completed, right down to the Black Sea. Its trade with these countries, though now rapidly growing, was decimated by the results of the war.

Nor was Hamburg much helped by the subsequent economic division of Western Europe into EFTA and the EEC. Its most natural links with the West are with Scandinavia, Britain and across the Atlantic to the U.S. Seaport from the Elbe,

the EEC looked a very inward-looking community. There was the further disadvantage that the Federal Government imposed a sharp duty on imported coal to protect the pits in the Ruhr. New industries were thus deterred from coming to Hamburg because of the high costs of local energy.

Hamburg itself was strong

vestments to the Hamburg region include Bayer and Dow in chemicals, Reynolds International, Alusuisse and Vereinigte Aluminium Werke (VAW) in light metals, and Korf-Midland Ross in steel. All these industries are capital-intensive, which is what Hamburg really wants. But they are offered other advantages through the growing co-operation between Hamburg and the surrounding areas.

Hamburg offers an all-purpose port, with more or less excellent communications, a skilled and flexible labour force, as well as a sizeable local market. For an area that seems so concentrated, it also has a surprising amount of land still available for development, though at a price. The area round about has a reserve of labour, rare in Germany, as more and more people leave the farms of Lower Saxony and Schleswig-Holstein. It has areas for the development of new deep-water harbours, so that Reynolds or Dow can count on having their own quays. Above all, it has land, cheap land. Much of the land for the new regional North German airport, for example, to be built at Kaltenkirchen in Schleswig-Holstein, was acquired at DM2 per square metre. And where a new industry wants to invest in the Hamburg region, but not in Hamburg proper, it has the advantage that under federal development policy investment in Lower Saxony and Schleswig-Holstein qualifies for low-interest loans and other subsidies.

In the circumstances, it may seem surprising that Hamburg did not grasp at the role of



**HAMBURG'S PERCENTAGE OF WEST GERMAN IMPORTS**

Asia .....	48.2
Central America .....	40.8
South America .....	40.1
Africa .....	39.6
Australia .....	25.0
North America .....	18.5
Europe .....	11.9

Total imports by Hamburg firms, 1969, £2,135m. = 19.2 per cent. of all West German imports. Total exports by Hamburg firms, 1969, £800m. = 6.2 per cent. of all West German exports.

more and better houses, more and better amenities than much of the rest of Germany. Nor, local politics being what they are, have the surrounding areas much wanted to be absorbed. It has taken a slow realisation of mutual interdependence to bring about the change, and it is still being only cautiously pursued. To its regional development proposals, the State of Hamburg says that it wants neither growth at any price nor, in a splendid German word, *Wachstumsanarchismus* (anarchical growth). In other words, it does not want to jettison its existing amenities for the sake of faster economic expansion.

At present it seems to be succeeding. As a place, Hamburg is both pleasant to be in and relatively easy to get out of. There are few higher commitments one could pay to a State community: in building modern city than that.

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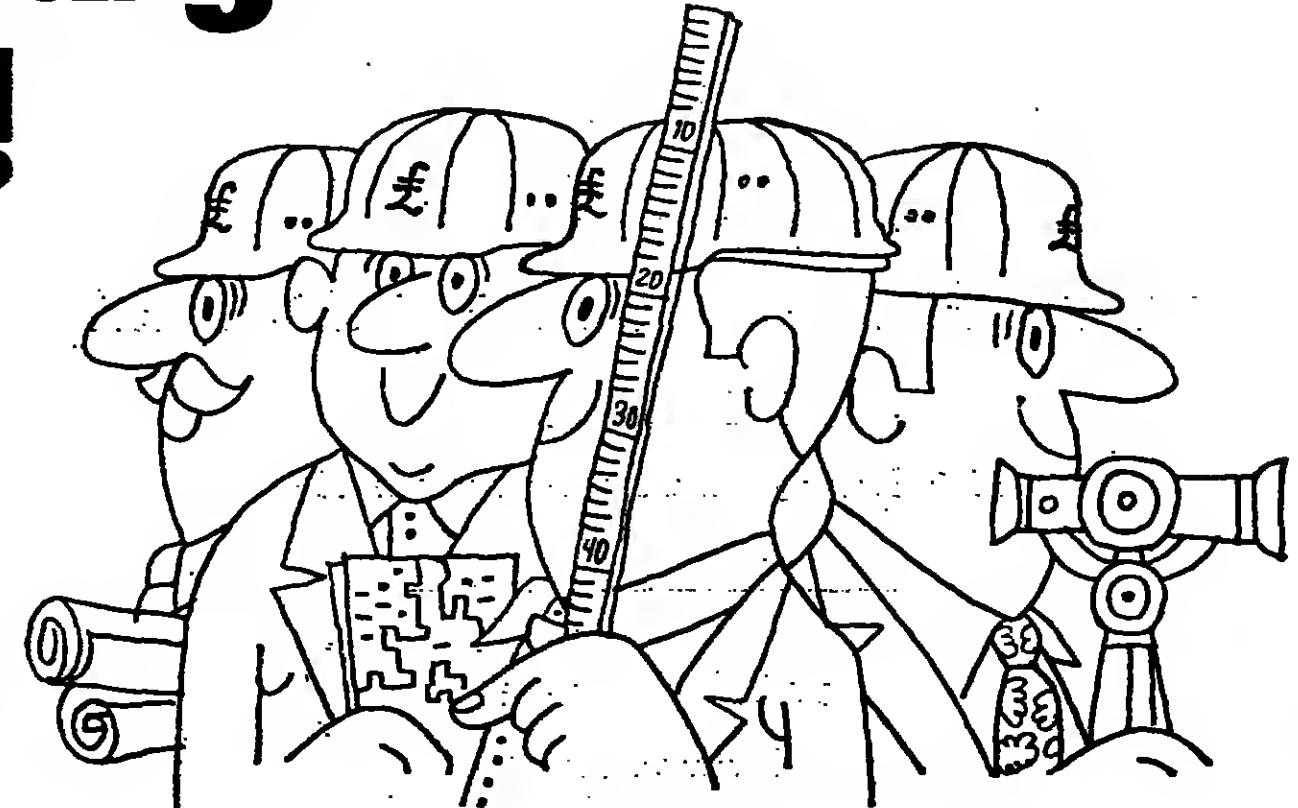
This is the experience made by over a hundred British firms in the last ten years. Hamburg and its region offer ideal opportunities for firms considering plant facilities or business operations.

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- ★ the direct approach to the open sea with its many transportation cost advantages ("water for deep-sea ships at the factory door");
- ★ power supply at internationally competitive prices;
- ★ the large reserves of land still available in Hamburg itself and in the neighbouring region along the lower reaches of the Elbe;
- ★ the industrial tradition that shows itself in the extremely wide range of production industries (35,000 employed in Hamburg alone);
- ★ the large number of commercial services of all types;
- ★ this city's world wide communications, which have resulted in Hamburg developing into the most important transportation centre in Germany.

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## HAMBURG II

# Neuwerk plan a likely runner

By MALCOLM RUTHERFORD

Hamburg is not, in fact, only the city state 65 miles or so up the Elbe. There is another tiny piece of Hamburg in the Elbe estuary known as the isles of Neuwerk and Scharhörn. Possession of them has played some part in Hamburg's history before, and could do again, since they are the scene of one of the most fascinating development projects in Europe.

The total population of Neuwerk is about 40. For centuries, despite its obvious importance for anyone wishing to control entry to the river, it did not even have a name. Then in 1310 the Hamburgers built a large tower there, known as the "new work." It was both a look-out centre and an armed base. A Hamburg Senator would be despatched to live there for a year or so, together with a body of retainers ready to fight off any challengers for possession who would be a

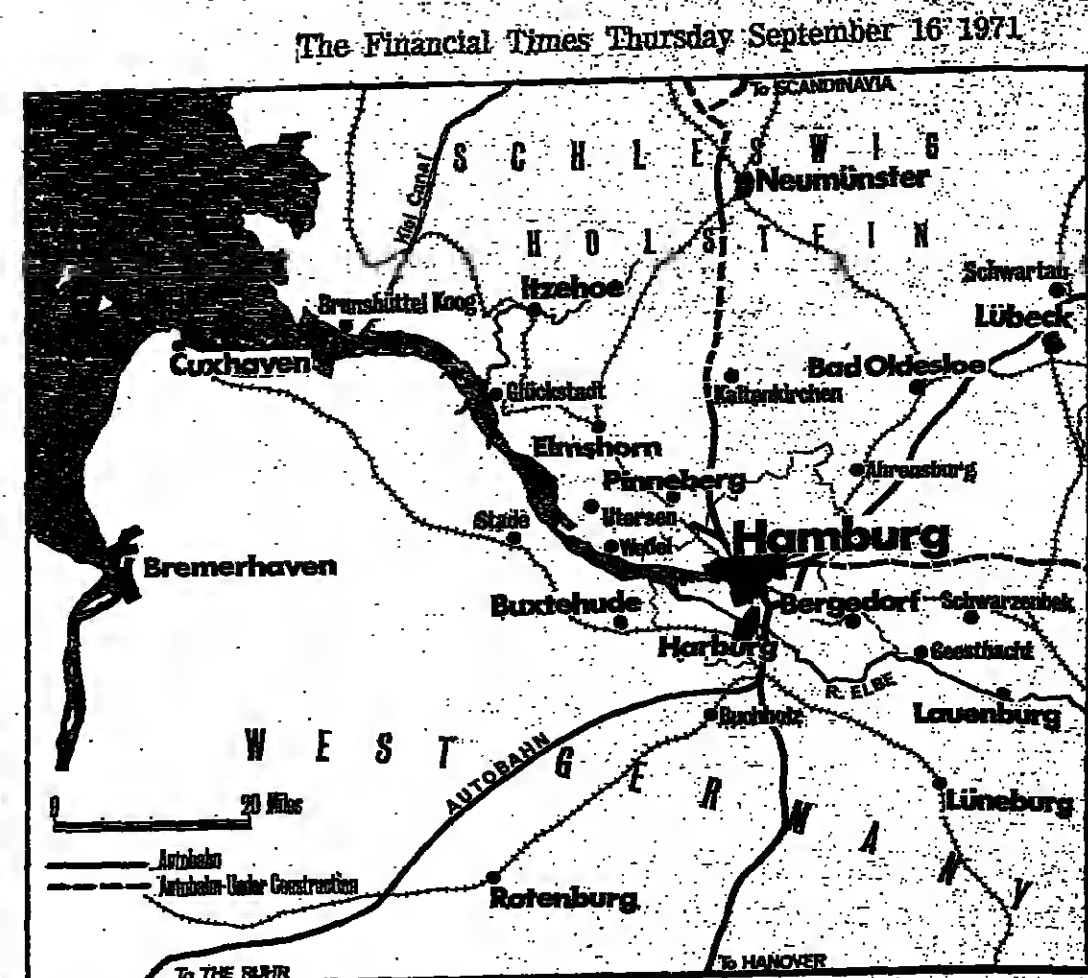
threat to Hamburg's existence up river. The tower still stands and has become one of the oldest surviving buildings in Hamburg, in itself a fact of considerable significance because it says something about the very firm nature of the land on which it is built. To-day, the chief of the Neuwerk-Scharhörn project still lives in the old Senator's quarters when he comes to visit the island.

### Detailed research

This project is for the future—perhaps for as far ahead as the year 2000, though the immensely detailed research programme was begun in 1961 and is still going on. It may be best described as a kind of insurance policy, should Hamburg begin to suffer from being so relatively far up river. So far this has not happened.

The head of the Lower Elbe is 40 feet deep at mean low tide and drops to 49 feet at mean high tide, which means that making use of the tide, vessels of up to 90,000 dead weight tons can reach Hamburg fully laden. A further process of deepening which is going on will take the capacity up to 115,000 d.w.t. This, of course, rules out the really big tankers, but these can go to the seaport of Wilhelmshaven, which takes up to 250,000 d.w.t. From there the oil can be piped to Hamburg, allowing it to maintain its importance as a centre of oil refining.

For the rest, Hamburg still has few immediate problems. But what if the trend towards bigger and bigger vessels continues, not only for tankers, but also for carriers of iron ore or bauxite? And also the trend for industry to move to the coast, where it can take delivery of bulk raw materials and set up



its processing plants, ready for reshipment of finished or semi-finished products? It is here that the Neuwerk project begins to come into its own.

The first idea is that Neuwerk-Scharhörn could become Hamburg's outer harbour, a role for which it seems endowed by nature. The northern tip of the islands lies just on

the deepest channel of the outer Elbe. This has a natural depth of about 80 feet at mean high tide—almost twice as deep as the Elbe at Hamburg. If the outer harbour were built, there should be no problem in taking vessels with a draught of up to 73 feet or of easily 300,000 dwt. No other port in Germany could offer anything like it.

Nor would building be especially difficult. A few embankments would have to be built to act as quays and a permanent road and rail link between the islands and the mainland, probably, according to present planning, about 11 miles long would be needed. The link to the coast, which would be broad enough to include an autobahn, would be so constructed that it could also act as a dyke, keeping back the water from the mud flats which surround Neuwerk-Scharhörn.

As the history of the Neuwerk tower suggests, and ten years of research have tended to bear out, the structure of the land, whether above or below sea level, is extraordinarily firm. It is believed to be even firmer than the land around Hamburg, while the underwater sands where the entrance to the new outer harbour would be are thought to have remained stable for perhaps a thousand years. Indeed, walking or driving on the flats when the tide is out is just like walking or driving on acre upon acre of a permanent, natural solid surface.

### Cheap land

And here is the second part of the Neuwerk idea. Cutting off part of this land from the tide by the dyke would release it for industrial development. Not only would there be a deep water harbour taking vessels of up to 300,000 tons, there would be land available to exploit it, and remarkably cheap land at that, for it has scarcely had to

be bought from anyone. In the dust, exporting iron ore or bauxite could develop it on the spot, while there would be endless opportunities for petrochemicals. Given the easy development of road and rail links, there need be no problem in despatching the products.

The cost of the project is said to be surprisingly low. After ten years of research of the movements of the sands, the winds and the waves, what must now be the most closely studied area of water in the world, the scientists have come to the conclusion that the first stage would cost about £80m. at end-1970 prices. The would include the development of the harbour and the road rail links to the mainland. The research team itself, new much more than 30 strong, just using up the £700,000 voted for the programme by the Hamburg Senate in 1961. For ten years of research, but the decision to start building, which depends on the Federal Water Ports Commission, as well as Hamburg, will be taken only when industry shows it is ready to come in. The recent moves of firms such as Hoescht and Bayer into the Hamburg area do not suggest this is unlikely.

Yet perhaps the outcome of the project depends on other factors. Despite the constant passing of ocean-going ships, the Elbe estuary is undeveloped, relatively unknown and unsuited area. It is not the Delta of the Danube, but it has a bird and plant life of remarkable variety, a habitat, some of which is unique in Europe. All that would be sacrificed if Neuwerk were to go ahead, as a small band of protesters is already beginning to point out. It could become the subject of one of the great conservation battles of the future.

## Press finds profits harder to earn

By CHRISTOPHER LORENZ

Hamburg is without question the Press centre of West Germany. It is the home of the German Press Agency and of three of the country's four main magazine publishing houses, of the two most influential "serious" weeklies and of much of the country's film and television industry. And even if Axel Springer has moved his headquarters to the edge of the Berlin Wall, his offices in Hamburg are still responsible for much of his massive output.

Before the second world war Hamburg was just one of many regional Press centres, albeit one

with ancient traditions. It would be surprising if a free city-state perched on the edge of the land-mass and dealing largely in foreign trade could not count publishing as one of its oldest crafts. As early as the eighteenth century a Hamburg newspaper, the "Hamburgische Correspondent," had a larger circulation than *The Times* of London. The city can still lay claim to fame, if fame it be, for Axel Springer's *Bild Zeitung* has a sale of 3.3m. copies a day and his *Bild am Sonntag* sells a further 3.1m. every week.

For three years after the end of world war two Hamburg was just one of three towns which the Western Allies had chosen as their information centres. Every German newspaperman active at that time agrees that the British occupation authorities gave the city every chance. They allowed each party to have a newspaper, rejecting the American policy of putting a representative from each party in each newspaper office. By all accounts they adopted a much less severe attitude to critical reports: it is questionable whether Rudolf Augstein would have been allowed to run his critically-minded, popularising *Spiegel* if the British licensing controllers had followed slavishly the concept of "re-education."

The same tradition of independence was given to the Nordwestdeutscher Rundfunk, set up in 1948 to broadcast to the entire British zone of occupation. While many living Hamburg newspapermen thank the British for giving them a head start, their later success cannot be attributed to those first few years after the war. Axel Springer, for example, did not bring out his first newspaper until October, 1948, when he received a licence from the Hamburg Senate—which had just taken over from the British—for his *Hamburger Abendblatt*. By then there were at least five other daily papers in the city. "People said we were mad bringing out a new one," one of his earliest colleagues says.

The early success of that paper may have been partly due to the reading habits of the German citizen. Many publishers found they could sell as much as they produced, for the country was hungry for news and information. Hamburg was particularly marked in this respect, and remains so to-day, having almost the highest newspaper readership per head of population in the Federal Republic (West Berlin is slightly ahead). About 10m. newspapers are sold in the city every day out of the total Hamburg-published newspaper circulation of over 5m. (Weekly newspapers produced in Hamburg have a circulation of about 4m.).

But if Hamburg has contributed something to its own development as a Press centre, the businessacumen of its publishers partly accounts for more. Dr. Gerd Eucerius, one of the founders of the weekly newspaper *Die Zeit*, is now sole owner of the publication, and is also one of the owners of Gruner & Jahr, the magazine publishing house. John Jahr, another of the G & J's owners, and Richard Gruner—who has departed from the scene—are still two of the best-known names in the German newspaper and magazine world.

It was Jahr who at the beginning of the 1950s forced Augstein to bring *Spiegel* from Hanover to his Constanze Verlag and turn what had previously been the adventure of a few friends into a viable business proposition.

These men won through the contractions of the late 1940s and early 1950s, when paper after paper went to the wall in the face of growing competition. Springer has become the most powerful publisher in the country—as any student will tell you—producing an estimated 38.7 per cent. of all the newspapers sold. Augstein has taken his journal's circulation from 15,000 in 1948 through 500,000 in 1962 to to-day's 892,000 (having been up to 942,000 just over a year ago). Other, lesser known, entrepreneurs have ridden the sex and pornography wave to make Hamburg one of the world's best-known centres for the more unusual type of publication.

### Inflation effects

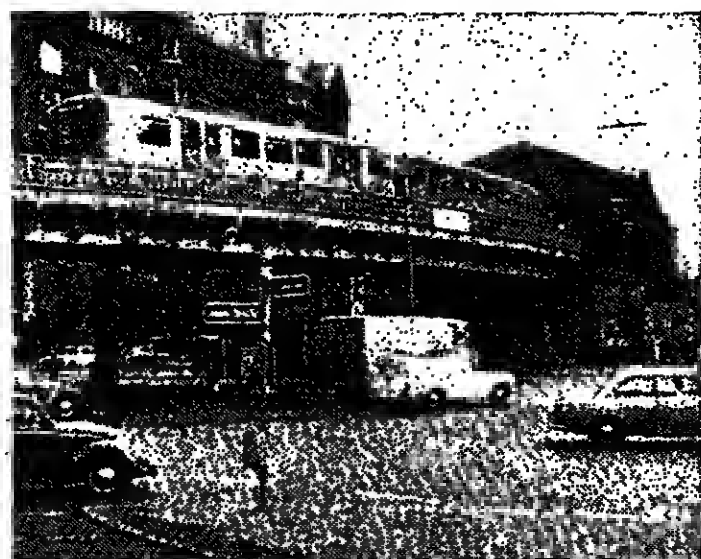
But the days of rapid growth are over. Changing social habits and creeping inflation could well affect even the best established newspaper or magazine. Springer, who less than two years ago was frustrated in an attempt to break into television through "Studio Hamburg," one of Germany's biggest film, television advertising, and record studios, may have to subsidise his prestige publication *Die Welt* to an ever-increasing degree. His answer is to expand his local papers and to prepare for a breakthrough in the television cassette market. He is also considering the production of a new "news magazine," the nature of which has yet to be defined.

If he decides to produce a competitor for *Spiegel*, he will be treading a path where many others have fallen. *Spiegel* itself has seen better days, however, with both sales and advertising revenue down on 1970. But profits are still flowing thick and fast, and in a few weeks' time the publishing house will emerge with what promises to be a sophisticated new product, *Manager Magazine*, a joint venture with McGraw-Hill.

Gruener & Jahr has been living for three years with the knowledge that the West German magazine cake is no longer growing, although the slices are still changing size. With many advertisers placing their copy largely by computer, a publication which takes only a slight turn for the worse can rapidly find itself in awkward straits: early this summer the company decided to close down *Twen*, which for a time was at the forefront of the sex wave. Gruener & Jahr's widest-circulation publication, *Stefan*, sold only 1.6m. copies a week in the first quarter of this year compared with 1.8m. a year before. In such a situation the best a magazine publisher can do is search for a new "minority slot," such as "good food," the company's next new venture target point. There may soon be an attempt to expand into daily newspapers, but no details of the management's plans are yet available, and the critics abound.

Many communicators are worried about what the next ten years will bring. If the television stations should ever get permission to carry more advertisements—at present channel 1 is limited to 20 minutes a day, ex-

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## HAMBURG IV

# Sensible location for a British Trade Week

By a Correspondent

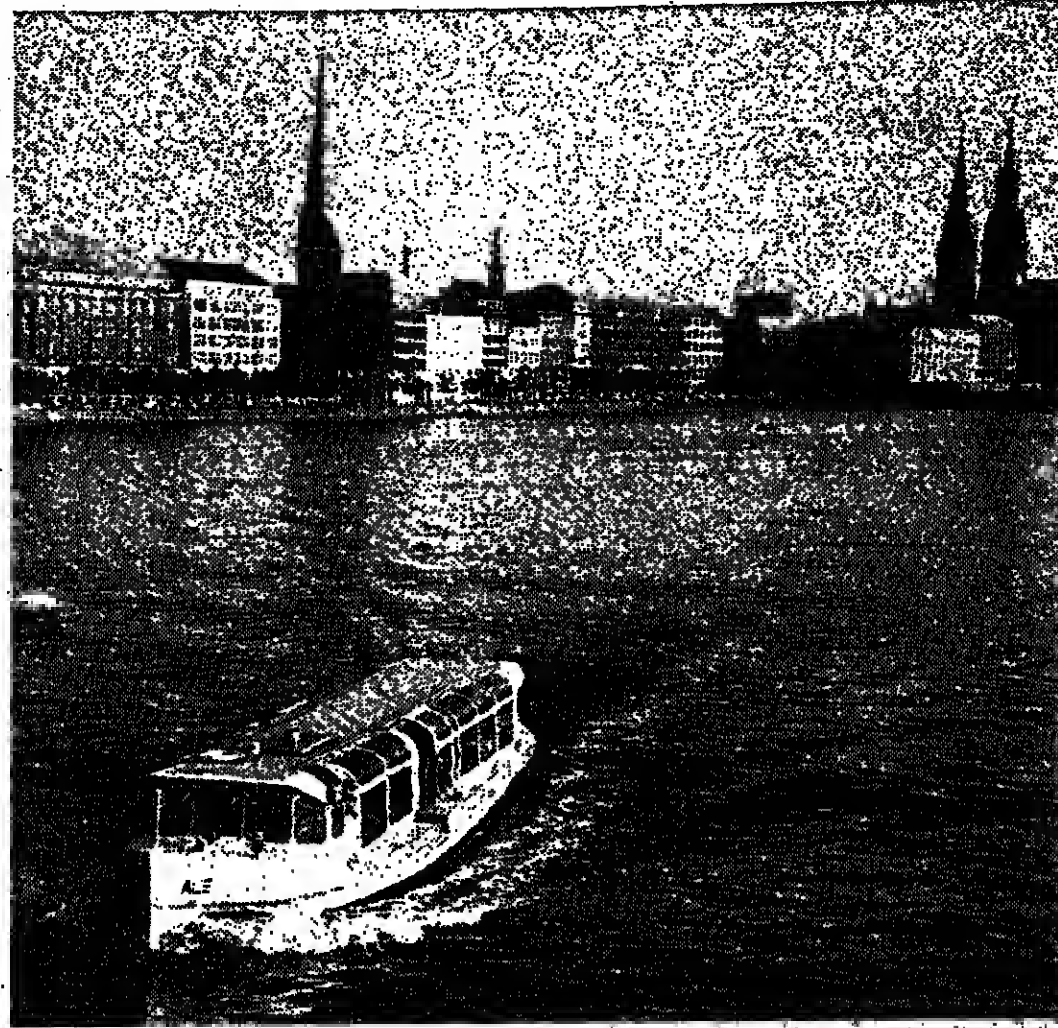
To settle on a major British trade promotion in Germany is not particularly easy. The choice is wide, the attractions of the different market areas in the Federal Republic varied, the costs high and the complications likely to be considerable. For a consumer goods promotion of the British Week type, there is a choice of at least eight major German cities on which to concentrate, of which Hamburg is not the largest. Each has its own particular claims to attention from British exporters.

The first British Week in Germany, in Düsseldorf in 1964, made only a limited impact on the consumer goods market, mainly for lack of a proper follow up. Since then there have been many less costly but nevertheless successful store promotions of one kind or another across the country.

**Commercial basis**  
The decision to mount another British Week type promotion in Hamburg, even though organised on a rather more commercial basis than the Düsseldorf week therefore calls for some comment. It is not, for instance, as if Hamburg is quite the key port which it once used to be. With the diversification of transport routes into Germany since the war, only some 15 per cent. of all German trade nowadays comes through Hamburg firms (of which 22 per cent. represents imports and 7 per cent. exports).

With 1.8m. inhabitants within the city's perimeter, Hamburg can certainly claim a large and affluent consumer potential. Yet unlike some other large German cities, it has rather a thin catchment area of smaller towns in its vicinity, which is largely rural.

Nor is Hamburg quite the gateway to the German market as a whole that it might appear. Regional distinctions still abound in Germany so that multiple agencies are usually advisable for the British exporter unless a single distributor can prove that he really has a country-wide sales network. It would be expecting a lot, for example, of a Bavarian to import goods regularly through a Hamburg merchant; for one thing, there are more



A view of the Binnenalster.

direct trade routes to south Germany through the Belgian and Dutch ports, and for another, to the South German Hamburg still tends to be equated with Prussian influence, along with most of the rest of northern Germany. And it is by no means unknown for a British exporter to tie up his sole agency or distributorship for Germany with a Hamburg firm in what might seem to the exporter the obvious point of entry, only to find that his products were not being marketed much beyond the Hamburg area.

Yet there are good reasons for staging a British Trade Week in Hamburg at the present time. The trade and financial links between the old Hanseatic city and the City of London, in particular, go back at least 700 years, and mutual understanding is close and friendly. Hamburg is still very much an international city, accounting

for approximately 50 per cent. of Germany's total transit trade. Over 1,000 merchants specialise in solely export/import business, many of whom have particularly useful outlets to the East German market.

### Good coverage

Altogether over 7,000 firms in Hamburg act as trade representatives, of whom approximately one in three operates on behalf of a foreign exporter (compared with a national average of one in four). The best of these can indeed offer countrywide coverage for imported goods. In 1968, for instance, the value of this type of business was estimated at around £2,000m. in imports and £800m. in exports handled by Hamburg firms. Since the war Hamburg merchants have diversified to some extent from their traditional role of importing bulk raw materials and exporting consumer goods to importing

semi-finished or finished manufactures from other European countries, and acting as mediators in the export of German capital goods, especially plant.

In addition, approximately 6,000 wholesale firms, many of them also in the importing business, are based in Hamburg. 1968 turnover was about £800m., much of it in the raw materials and foodstuffs and beverages trade, but also in finished goods. Behind all this activity lies an intensive network of shipping, transport, storage, banking and insurance facilities—the prerequisites of any great trading entrepôt, plus an important concentration of Press and advertising media, such as the Axel Springer organisation.

The industrial base in Hamburg is also well established over a wide field, from shipyards and oil refineries to one of machinery production to food packaging and processing.

altogether some 1,300 industrial employing over 10 people and provide work for about 200,000 people in Hamburg, and between them these industries absorb nearly half the imports coming into the port.

Hamburg is also the centre for a number of mail order houses, notably Otto Versand. And finally there are some 15,000 retail shops ranging from the huge departmental stores to the small speciality shops selling luxury British goods.

### Quality goods

It is here that a British Trade Week in Hamburg makes sense. The urban citizen of Hamburg admires British living styles and long tried to get the same breath. British goods in particular have appeal, while the range of retail outlets in the city's main shopping area, which the week will be concentrating, attracts shoppers to mention foreign tourists far afield. British goods will sell well during the week through the Hamburg branch of the great chain stores in many stand a good chance of being stocked on a country-wide basis later.

The exhibition of British consumer durable goods in the 'Planten' on 'Blumen' exhibit hall, should also appeal to the sophisticated and discriminating Hamburg buyer while the fashion extravaganza should attract great interest from clothes-conscious people whom London's fashion scene is well known but as somewhat unseen.

With its wide industrial base, Hamburg is well placed to be a goodly host to the various technological exhibits which are to be coincidentally with the week should also attract good business in Hamburg and British capital and semi-finished goods exporters an opportunity for some useful 'soft selling'.

The timing of the Trade Week is significant, too; it is seen as Britain's first major initiative within the framework of the Six since the negotiations for Britain's entry into the Community were successfully concluded. It is a compliment to Hamburg and as hard-bitten business men one which should net them some worthwhile profits into the bargain. It should also prove a valuable sounding-board to one of the richest parts of the EEC market to many a British exporter.

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## Shipbuilders—(Cont'd.)

Continued from previous page

seemed easy enough because of the nature of the two companies' major shareholders. EDW is owned 50 per cent. by the Government-held steel concern, Salzgitter; the only other two large shareholders are the engineering group, Gutehoffnungshütte, and the electricals group AEG, both of whom have indicated they want to get out of shipbuilding.

Blohm and Voss, on the other hand, is now owned almost 65 per cent. by August Thyssen Hütte, the largest German steel concern of all. Thyssen in fact increased its stake to this level only recently (at a price of putting in new management), and it was assumed that this meant it wanted to expand its shipbuilding interests. What better way to do it than through

co-operation with Salzgitter? The fact that the many talks between the two companies have now broken down, and that they are not even to co-operate on the building of new docks, suggest that the profit-conscious Thyssen has seriously revised its estimates of the future of German shipbuilding and may no longer want to have much to do with it.

The future of Blohm and Voss remains uncertain, and there are rumours that it is going out of big shipbuilding altogether.

EDW has meanwhile announced that it will go on with rationalisation measures of its own. Despite the current profit situation, the programme shows strengths as well as weaknesses. As a result of the earlier mergers, about half of the EDW activity takes place not in Hamburg but in Kiel, where some of

the equipment is more modern, labour costs lower and the labour force more dependent on keeping their job with the yard. At the end of the August, the company had in hand orders worth just over £240m. for 21 ships with a total dead-weight tonnage of 2.5m. About 40 per cent. of the value of the contracts was backed up by escalation clauses. Work in Hamburg should be guaranteed until towards the end of 1973 and in Kiel until 1974.

### World lead

EDW also maintains a world lead in container vessels, where the German yards as a whole have done well. A senior member of a British shipping line which placed its container orders in Hamburg explained

that this was done not because of price, but because of the quick delivery of which are nowadays better than those of Japan. Being entirely unsympathetic to British trade unions, he said, the British shipyard still wants to build the best in the world; the German wants to build a ship that will last and that is all we need. He said, have become like with built-in obsolescence.

In this sense, the German yards are still in a good position, and it may be nothing that their order book short in comparison with that of their foreign competitors. There remains in any case a determined optimism whether by mergers, streamlining production or Government subsidies, profits will come in the end.

# Contents: comprehensive services

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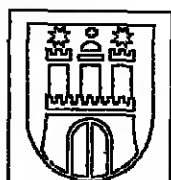


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The work would have particular appeal to a younger person who has served his apprenticeship and wishes to open up new horizons. Salary according to ability, but commensurate with the importance of the position. Write Box A.2316, Financial Times, 10, Cannon Street, EC4P 4BY.

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# WALL STREET + OVERSEAS MARKETS

## Early losses regained—Index up 3.21

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BY OUR WALL STREET CORRESPONDENT

EARLY LOSSES were more than regained on Wall Street today when the Stock Market closed modestly higher in light trading. Analysts said the upswing was prompted more by a drying up of selling rather than the presence of any aggressive buyers.

After opening 2.77 down at 888.58, the Dow Jones Industrial Average rallied to 904.86, a net rise of 6.21 on the day. The NYSE All Common Index rose 20 cents to 559.18, but advances, at 688, and declines, at 689, were virtually level.

The early softness was still attributed to uncertainty over the new phase of the Administration's Economic Plan, which still overhangs the Stock Market. The plan demands for dollar devaluation must be dealt with before the list can regain any steady upward momentum, analysts generally agree.

The temporarily overvalued state of the Stock Market, and some low prices which may have attracted bargain hunters, also contributed to the turnaround.

In blue chips, Eastman Kodak recovered \$1 to \$95.1 and Sears jumped \$1 to \$93.1.

Motors finished stronger on industry reports that Chrysler had secured a substantial gain in September last year. General Motors gained \$1 to \$33.1, Chrysler added \$1 to \$30.1, Ford climbed \$1 to \$70.1 and American Motors edged up \$1 to \$7.1.

Steel was mixed. Analysts overestimated an estimation of lower-than-expected demand for steel. Steel, who also noted that output was still sharply curtailed due to still large inventories in the hands of customers.

Bethlehem, however, inched up \$1 to \$24.1, and U.S. Steel firmed \$1 to \$30.1, but Inland Fuel back \$1 to \$30.1 and Lykes-Youngstown lost \$1 to \$40.1.

Some drugs were firm. Activated charcoal firmed unchanged at \$11.1, while Merck advanced \$1 to \$109.1.

Investors supported Mobile Home issues. The Association of Mobile Home Manufacturers reported that the seven months ending in July saw a record number of deliveries for the industry. Redman advanced \$1 to \$26.1, Skyline \$1 to \$4.1 and Phillips Industries also rose \$1 to \$23.1.

Oils tended slightly higher, with the best gain posted by Amerasia Hess, up \$2 to \$53.1.

Some "clamorous" improved. IBM gained \$3 to \$303.1, while Xerox at \$16.1 and Disney at \$112.1 each gained \$1.

International Airlines showed little reaction to the industry fare war on the North Atlantic brought about by Lufthansa.

Pan American slipped \$1 to \$11.1, TWA closed unchanged at \$11.1 and KLM edged \$1 to \$38.1.

Among "underdogs", Bantam gained \$1 to \$12.1 and was

the most active issue, with most of the activity coming on a 200,000 share block. Prices on the American firmed and the index rose 4 cents to 559.18 in a moderate volume of 3.48m. (3.40m) shares. Declines led advances by four to three.

Mobile Home Builders gained ground. Champion climbed \$1 to \$37.1 and Village Enterprises advanced \$1 to \$12.1.

Rossell Aluminum was lifted \$1 to \$35.1 on sharply improved six months net earnings of 20 cents (4 cents) per share.

On the active list, Anthony Industries gained \$1 to \$10.1 and Coleman put on \$1 to \$30.1.

PARIS—Prices generally eased, following the National Statistical Institute's warnings on French inflation and agreement by the Government to limit the Government's price rises.

Declining stocks included Rhon-Poulenc, of Frs.3.5 and Roussel-Uclaf in Chemicals. Michelin fell Frs.9. Paribas declined Frs.4 and Redoute gave way Frs.5.3. Foods were mixed, with Pernod lower but Ricard higher.

Little-Bonier firmed in Oils but Shell Française and Berre eased. Dollar stocks declined, Petrofina resisted in weak Belgians, as did BASF in mixed Germans.

Dutch and Mining shares were lower. DABF in mixed Germans.

STANDARD AND POORS U.S. STOCK INDICES

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Wednesday, September 15 .....	11,381	Monday, September 13 .....	12,617	Thursday, September 9 .....	12,711
Tuesday, September 14 .....	12,639	Friday, September 10 .....	12,088	Wednesday, September 8 .....	12,922

\* Bargains at Special Prices. A Bargains done with or between non-members. B Bargains done previous day. C Bargains done with members of a recognised Stock Exchange. D Bargains done for delayed delivery i.e. "no buying-in". E-Australian; F-Canadian; G-Hong Kong; H-Jamaican; I-South Africa; J-New Zealand; K-Singapore; L-South America; M-South East Asia; N-South West Indian.

Borgess Prods. A 125p 1 80  
 Barnhill Prods 110p 21 20  
 Burrall (Sp) 8 8  
 Burrall Hides 127  
 Finch (B.) Holdings 110p 41  
 Fina Art Develops 15p 38 9 8 9 9 4  
 74pcUnseC.Ln. 87 0  
 Finlay (James) 251 2  
 Press (Wm.) 5p 15p 64 0 5 5 4  
 Prestige Prod. (25p) 1890 80 1 8 2  
 Pretoria Portland Cement 127 185

Butterley Engrs. Inds. (1901) 820 30 3  
Bydand (25p) 280 7 8 8

Folkers (E.) (25p) 91 90  
Folkers J.J. Neta N-V 15p 1910. Dtd.  
(5p) 90  
Farbways (25p) 3030

Unacoste Carbons (25p) 19720  
Lahkro Chams. (25p) 19720  
Lacorte Inds. (50p) 650 9 91 4 80%  
80 90  
Lauriergrite Inds. (1001) 42

16 18 14

O-R-S

Calster G. (10p) 450 20 2	Freemans (London SW9) (25p) 1740 70	Le (Author) Sons (12p) 2840	S.F.D. Gp. (10p) 224 3 2
Calster G. (10p) 450 20 2	4 5 2	Leds Aamts (25p) 1150 15 17 16.	R.K.T. Textiles (10p) 524 4 3
Cakebread 90p (10p) 41.	A (10p) 35	10p (incl. 14p 35 403	Racal Electronics (25p) 144 2 3
Camden Gp. (10p) 250 31	French (W. and C.) A 3150 18 20	Do. New 1441	Radley Fashions Textiles (25p) 45 15
Campari (10p) 315 250 31	Friedland Doggart (25p) 74 5	Leonsard Ltd. (5p) 150.	ADFD. 150
Campana (10p) 315 250 31	81A 770		

[illegible]

Carston (Sir Joseph) Sons (25p) 27 5/8	6/	Under Concrete Machinery (13p)	Ready Made Concrete (25p)
Cavenham (25p) 116 14 15s. Now 115s.	General Electric (25p) 190 1 2 4 1 1/2	Lister (25p) 52 1/2	3 5, 8 1/2p Con. Uns. (15s)
11p/cd. 118	60 1/2 59 1/2 8 2 (25p) 160 1/2 90 59	Liverpool Daily Post (50p) 131	9 1/2cd. 15
Cavoods Nidos. (25p) 1600 80	60 1 7 1/2p BPC. 780 7 3/4cd. N. 86 1/2	Liverpool (10p) 70 1/2	Colman (50p) 180 2320
		Thames (10p) 115 1/2	21 1/2p 20 18 1 6 1/2
		Thames (10p) 115 1/2	3 1/2p 2 1/2p 2 1/2p

Chamberlain Phlips (10p1 54½ S	19 21. 54pcLn (50p1 37½	68½	Reed and Smith (50p1 35½ 2
Chambers Fargus 15p 21	Dleeson (M J L) (Contractors) (10p1 49½D	100n	Reed .AASIn Group A 350
Change Wares (10p1 70½	8½	Lotus (25p1 54	Reed Intl. 237½ 6½ 50p1 6 5½
Carries (David) (110p1 75 k	Glenfield Kennedy Hides. 54pcPt. 26	Low Bonar Grupp (50p1) 125	41 54. 54pcPt. 54. 74pcD. 198

Charrinlin Simi (25p) 150	Coloma (25p) 150	MFJ Warehouses (10p) 208 7	Reppold 352 60
Citridine Hedges. (25p) 70 4 1/2	Colford (Ch.) Falcour Sen (25p) 21	MFJ Electric Hlps. 125p 2 5 4	Reppold 362 60
Coke Pears Hlps. (25p) 12	Gomme Hlps. 125p 178 7	MK Refrigeration (10p) 2210	Restmup Grnp (25p) 980 52
Clark Chapman John Thompson (25p)	Gordon Hlps. 51p 6p 44	MTC Converter (10p) 230 8	Reverex Hlps. (25p) 94 5 6
	Groptan Hlps. (25p). 56p 6 7 8		

Clear Hooters (15p) 21	96 8 9 7 1: 90 80%	Mallinson (Gedroge) 2012 (25p)	4400 50. A	Roderson Group (25p)	820 4 2. 8p
Clover Dories (25p) 160 57 9	(25p) 441 2 10 39 8% 81; 81 93 7:	Mallinson (William) Denmy Mott (25p)			
Clyde Bowers (25p) 36	6hndn. 61. 8wocdn. 94 4	72-0. Sympm. 47-1:			
		Men-Abell Hinds. (25p) 490	1100 1320		
		Bonner Hinds. (25p) 2040. A (25p)			
		Borthman. T. Naylor Steel. (25p) 760			

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Court Meters (110p) 67w 5u 3d 8 1/2	Margamot (105p) 31w 3u 3d 8 1/2	Scott Meats Prods. (100p) 13w 3u 2d 8 1/2
Countdowns (25p) 129w 10u 3d 30 1/2 1 29	Margarets (77p) 47 8 1/2	188 4 7 204 199 205
1 30 29d 6 32 7pdcB 6pdcB 5 1/2 4 3	Maxlin Modernity Fashions (10p) 8 1/2	Scott's Inv. (10p) 105w 3 5
2 1/2 5pdcB 63 24 7pdcB 8 1/2 80.	Way Hassell (25p) 590	Scott Robertson (25p) 230
	Waynards 283w 80 3 21.	

Croda Intor. (25p) 3720 130 86 70 67. 145	Mattarley Steelrad (20p) 211 12	Metalrax (Hilqux) 15p 27	Seddon Ousel Vehicles (10p) 3740 8
7p6cn. 990 100 130		Metropole Inds. (10p) 43 40. Pf. 67	8p1cUnxLd. 91 3
Granite Foundry (25p) 990 1050	Hawker Siddeley Corp 226 74 7 8 9 62.	Metrop. Gas Meters (20p) 520	Sellin Corp (5p) 184 18 4
Crosby Sounding (10p) 111:	5p1pCf. 56. 7p6cDb. 79 4	Metrow. (25p) 2354 6 -	Sennac. Frnq. 92 100 5340 3

Curran (25p) 281 70	51p/6p. 63	Members' Assoc. (25p) 100 40	Mill Masters' Grp. (25p) 100 40	Shilton Automation (10p) 130 13
Carron House Inf. (5p) 185 8		Nenrys (20p) 143 1	Mining Supplies (100) 75 1	Siebs Gorman Hlids. (25p) 137
Cussons Gro. (10p) 520 1 2 1 2	1 2	Henry (A. S.) 125p	100 7 5 1	Silhouette Hlids. (10p) 22 1
Cosmomatic Mfng. (10p) 133		Heworth Ceramic Nlgs. (25p) 72 1 2 2	100 7 5 1	Silhouette (London) A (20p) 84 1

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Denby (20P) 32 1/2	Hall's Bros. E.S.A. 1250 51 1/2 3 1/2 3	Medford Hbbs 235 150 12	Southams-Evans (25P) 26
Denby (Wilm.) (Sp) 17 1/2	Hall Prods. 1100 36 1/2	Myson Grn. (10P) 2150 170 15 17	Sork Hldgs. (10P) 50 16 5
Denbyware 125P 117 1/8	Honda Motor Emp. Deposit 134	Mylon 110P 49	Sparrow (G.W.) Soms (20P) 126 5. 8
Derricott 74P 44	Inover 125P 5141. A 125P 522 18 25		Unsec. Ln. 120

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Dawkins (25p) 71 70. 84w/c. 79½	(back Johnson (25p) 125½ 0 5: 8	Newmark (Louis) (25p) 1800 50	9cUnset L.N. 77½ 10
Doughty General 79 14½ 13½ 19½	Illingworth Morris A 120p 27	News (nm.) (25p) 228. Nmon Vp. (25p)	Steel Group (25p) 14
Dowling C. H. (50p) 150 1	I.C. 1. 3200 8 0 7: 30 29 8 5: 8½	205	Steeley 125p 166 9
Dowry Group (50p) 133p 4 1 2		Newton Chambers (25p) 76p ½ 6	Steinberg Sans (London S.W.) A (10p)

Dufay 8Buenastac (10p) 164 17	10800 7400 4 10 5pdcn. 1114	North (James) (20p) 554 7	7000 5000 561
Duffies-Cumbar-Mnrx (10p) 720 61 5	incldn Lambert 1250 55 4	Northen Onlies (25p) 12900 74 8 71	Storey Gros. (25p) 4900 400 4 1
5 4 79 82	Industrial Contract Cleaners (10p) 20	9. 74000 61 1	61: 50 49
Dunlop Hldgs. (50p) 142 14 4 3 407.	ngersoll Grop (25p) 17 18 1	North Developments (10p) 1200 30 60	Stone Bowden Hldgs. (10p) 9 1
51000 100 6100 100 1972 43 221.			

E.M.1. (50p) 158p 6 5s 5 7. 5pCp1. 50p. 5pCp1. 3s. 8pCp1. 1981 1048	Intnl. Nickel Casino (Rec. Mfg. Nymex) 616 40 1810 3s	Intnl. Publishing Corp. 4pCp1. 423p 5 5s 32. 5pCp1. 86 4s 6p 2 4	Intnl. Nickel Casino (Rec. Mfg. Nymex) 616 40 1810 3s	Nurdin and Peacock (10p) 1940 4 8 5 Nu-Swift Ind. (51 95 4 Nuttall (Williams) (25p) 63 72	76p Sumrie (C. M.) (20p) 42p Swedish Match 8 (K.501. 50p Synes (A. E.) (25p) 70p 70 1 2 69 7
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Edwards (Louis C.) (Mater) 15p 22 19	J.B. Nidgs. (Sp) 180 19	Osburn (Samuel) 125p 58 1/2 9 70	Tyler of Leeds 125p 40 74 40
Ebler 15p 15	Jacks (William) (25p 124 20 1 1/2 20 1 1/2 1	Ozall 125p 240 1 1/2	Travis Woodrow (25p 335 5 3 3)
Eldridge Stableford 15p 19 18 1/2	Jackson (Eugene) 101 41	Page-Johnson Builders A (20p 122 5 5	Treagimont (25p 80 8 1/2 100
Ellea Nidgs. (10p 24)		Parson. (B.) 101 200 20	Teufelsdruff (25p 232 3 A (25p)

Ellis (Kensington) C2p1 920 900	Jenkins (Tudor) 10p1 46 0 1/2 4 0 4 0 6 1/2	Phula Whites (25p) 50 1/2	(25p) 61 0/2, Spc11p1, 53 1/2, Spc11p1
Elwick Nooper (Sof) 21	7 8 1/2	Peak Trillera (1p) 50 0 500 10 49 1/2	83
Elmore Stores (Bristol) C2p1 3260 5	Janine Nides (Sop) 20 20	50 40	Thomson 7-4line Caravans (25p) 10p
	Jessops (Nidg) 1 201 23 1/2	Pearson Longman (25p) 150 1 49 8 1/2	Thorn Elel. Insurg. (25p) 42 1/2 29 1/2

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the 1990s, the number of people in the United States who are 65 years of age or older is projected to increase from 20 million to 35 million, and the number of people 75 years of age or older is projected to increase from 10 million to 15 million (U.S. Census Bureau, 1996).



# F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh

EQUITY GROUPS		Wednesday, Sept. 15, 1971					Thurs. Sept. 16		Mon. Sept. 16		Friday Sept. 16		Thurs. Sept. 9		Year ago (approx)		Highs and Lows Index	
GROUPS & SUB-SECTIONS		Index No.	Day's Change %	With 60% Com- pensation Tax		Div. yield %	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	1971	Since completion	
figures in parentheses after sectional names show number of stocks.				Reg. Trans. Yield %	Est. Div. Yield %												High	Low
CAPITAL GOODS GROUP (184)		161.99	—	5.86	17.10	5.87	162.00	161.66	161.50	160.87	116.60	162.00	103.05	121.50	62.2	62.2	62.2	62.2
Aircraft and Components (3)		112.76	+0.3	8.28	14.44	6.86	116.47	119.66	121.46	122.08	97.76	136.11	68.40	106.40	66.4	66.4	66.4	66.4
Building Materials (29)		186.04	+0.1	4.78	21.07	3.81	186.95	165.66	164.75	164.11	98.70	176.38	123.88	133.31	63.1	63.1	63.1	63.1
Contracting and Construction (20)		267.51	+1.1	5.21	19.20	2.29	264.84	264.43	263.38	252.32	168.82	267.51	172.63	267.51	64.2	64.2	64.2	64.2
Electric (ex. Electric Rad. & TV) (139)		185.15	+0.1	4.98	20.09	2.89	184.74	285.65	286.82	268.80	203.18	195.23	184.74	335.11	64.7	64.7	64.7	64.7
Engineering (79)		144.66	-0.8	6.58	15.20	4.85	145.97	144.85	146.10	145.07	114.69	144.66	139.25	144.66	65.6	65.6	65.6	65.6
Machine Tools (15)		66.00	-0.4	7.34	12.62	6.07	66.27	65.56	65.90	66.02	64.55	66.00	43.86	136.70	63.0	63.0	63.0	63.0
Miscellaneous (26)		166.21	-0.7	7.46	13.87	4.27	136.30	133.11	135.15	135.42	113.70	135.20	94.16	144.27	69.0	69.0	69.0	69.0
CONSUMER GOODS (DURABLE) GROUP (56)		180.89	-0.2	4.86	20.61	3.88	180.19	179.91	179.92	180.87	139.56	180.87	117.35	197.87	79.9	79.9	79.9	79.9
Electronics, Radio and TV (14)		193.43	+0.6	5.14	19.46	3.27	192.93	193.66	194.11	195.66	144.38	126.56	122.51	199.66	71.1	71.1	71.1	71.1
Household Goods (15)		201.15	-0.1	5.62	17.18	5.20	201.25	200.00	199.66	196.66	126.67	201.15	115.29	201.15	85.6	85.6	85.6	85.6
Motors and Distributors (27)		161.16	+0.3	4.21	25.78	3.86	130.82	120.38	118.78	120.47	66.35	121.15	72.21	170.59	72.2	72.2	72.2	72.2
CONSUMER GOODS (NON-DURABLE) GROUP (175)		171.66	-0.4	4.37	18.98	3.56	179.37	171.89	171.78	171.42	117.11	172.37	112.17	172.37	83.7	83.7	83.7	83.7
Breweries (31)		205.57	-0.8	4.94	20.32	5.16	205.23	206.76	202.35	201.67	120.60	205.23	123.30	205.23	80.3	80.3	80.3	80.3
Wines and Spirits (7)		177.34	-1.6	6.98	17.00	5.99	160.12	172.18	176.78	180.84	120.50	126.16	115.29	201.15	85.6	85.6	85.6	85.6
Entertainment and Catering (15)		222.01	+0.1	5.62	15.28	3.49	221.87	222.83	221.40	221.25	173.13	222.01	177.92	221.71	115.6	115.6	115.6	115.6
Food Manufacturing (24)		146.01	-0.2	5.95	19.66	4.65	149.88	148.62	148.70	149.26	106.49	142.98	227.71	171.54	23.6	23.6	23.6	23.6
Food Retailing (17)		167.78	-0.3	4.39	20.04	3.21	167.24	167.19	156.66	166.32	100.69	167.18	102.61	167.18	82.1	82.1	82.1	82.1
Newspapers and Publishing (15)		160.84	+0.5	6.75	17.59	4.66	160.04	149.32	149.30	148.66	105.54	150.34	101.56	184.86	81.7	81.7	81.7	81.7
Packaging and Paper (16)		123.94	-0.7	6.33	10.06	4.12	124.87	126.05	124.84	124.32	103.37	126.27	89.21	134.63	27.3	27.3	27.3	27.3
Stores (30)		165.14	-0.3	4.17	23.98	2.67	162.66	162.34	161.86	161.69	101.11	165.14	105.82	165.14	84.3	84.3	84.3	84.3
Textiles (21)		180.10	-0.6	6.49	18.22	5.01	121.87	180.00	121.26	180.51	137.83	153.27	137.21	193.72	86.9	86.9	86.9	86.9
Tobacco (3)		237.64	-2.4	9.19	10.88	5.65	245.42	246.28	246.85	247.85	167.42	254.47	170.33	503.02	94.3	94.3	94.3	94.3
Toys and Games (6)		47.60	+1.4	0.28	119.34	3.14	46.63	47.07	48.43	44.90	62.60	47.60	44.90	165.14	84.3	84.3	84.3	84.3
OTHER GROUPS																		
Chemicals (19)		198.50	-1.1	5.11	19.31	3.36	196.67	186.40	127.75	127.69	141.86	800.98	130.18	901.92	23.25	23.25	23.25	23.25
Office Equipment (10)		201.16	-1.6	5.19	20.39	1.48	204.36	205.74	203.23	205.25	137.26	212.05	102.39	102.39	80.8	80.8	80.8	80.8
Shipping (10)		326.70	—	6.14	12.29	5.05	396.69	327.79	331.84	332.09	520.07	332.60	355.76	355.44	90.8	90.8	90.8	90.8
Miscellaneous (unclassified) (44)		192.10	-0.9	6.64	18.06	5.66	192.41	192.19	193.55	193.22	122.62	194.43	123.65	194.42	75.53	75.53	75.53	75.53



## HOTELS AND CATERERS—Continued

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Registered at the G.P.O. Printed by St. Clements Press Ltd. for and published by THE FINANCIAL TIMES LTD., Bracken House, Cannon Street, London, E.C.A.  
The Financial Times Ltd. 1974.



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